and equipped primarily for prompt and sustained offensive and defensive air operations." I quote the language of the National Security Act of 1947 that established it. That act further specified that "the Air Force shall be responsible for the preparation of the air forces necessary for the effective prosecution or war."

Less than 6 months after the Air Force came into existence, decisions on the missions of all three services were reached by the Joint Chiefs of Staff, in formulating their program for the future security of the United States. Those decisions, known as the Key West agreements, spelled out the intent of the National Security Act very specifically:

The United States Air Force includes air combat and service forces. It is organized, trained, and equipped primarily for prompt and sustained combat operations in the air. Of the three major services, the Air Force has primary interest in all operations in the air.

Notwithstanding the intent of Congress as reflected in the National Security Act of 1947, together with interpretive agreements reached among the Joint Chiefs of Staff, let us take a look at the status, aspirations, and intentions of the Army with respect to duplicating air facilities. The Army already has light and medium helicopters. It has liaison and light transport aircraft. Naturally, it has airfields, pilots, aircraft maintenance personnel, and facilities to take care of its rapidly growing air arm. Now the Army has jets.

Mr. Speaker, I do not propose to take the time of my colleagues to discuss the history of air warfare, or the development of the concept of air power. Either is a big subject. I want merely to call the attention of my colleagues to the Army's order for jet aircraft, which the Army says will not duplicate Air Force aircraft. I think my colleagues should be in a position to decide for themselves. I do not know what the Army will ask for next, for its growing Air Force. I do know that the Army is violating the intent of the National Security Act. It is violating the spirit of the Key West agreements. And it is creating duplication that will cost the taxpayer a pretty penny.

For the edification of my colleagues who may have missed a very interesting and revealing article by that distinguished newsman, Jim Lucas, under unanimous consent to extend my remarks, I insert the following in the CONGRESSIONAL RECORD, from the Washington Daily News of June 6, 1955:

ORDERS HAVE BEEN PLACED FOR ARMY JETS

(By Jim G. Lucas)

The Army expects to start flying its own jets next year. Orders have been placed.

Army leaders foresee the day when planes and helicopters replace trucks and jeeps.

They're convinced that—once the reasons are understood—the public will go along.

"There's no more duplication in our using planes than in the Air Force's use of trucks," Maj. Gen. Paul Adams, Acting Chief of Staff for Operations, says. "It's a question of moving men and supplies as rapidly as you can."

It's all part of the Army's effort to streamline itself for Atomic war. Its entire battle doctrine is being reshaped. Time-honored concepts are being scrapped.

Back of it, too, is the Army's little-publicized dissatisfaction with the Air Force. Army men are careful to say the Air Force is doing a fine job with its intercontinental bombers, continental defense and research and development. But for that very reason, they say, the Air Force hasn't had time to consider the kind of airplanes the Army needs.

EMPHASIS ON SPEED

The thermonuclear age, General Adams says, dictates a return to the Army's "true cavalry role." The emphasis must be on speed and mobility. For that role, the Army needs:

Two-men helicopters for reconnaissance. They'd be able to land behind the lines, on hills and mountains for intelligence purposes. They could get in and out without fighting.

Medium helicopters, each carrying an Army squad with its recoilless antitank rifles, 51-millimeter machine guns and 81-millimeter mortars. They'd set up blocking positions and hold passes, defiles, and other advanced terrain. Supplied by helicopters, they probably could survive indefinitely. Small in size, they'd not be too attractive a target for atomic weapons.

Jet aircraft for low-level photographic reconnaissance. They'd be able to use emergency fields the Army bulldozes around its camps. Speedy enough to fly at tree-top level, they'd develop pictures in flight.

The first 2—the 2-man and medium choppers—are ready. They're being tested at Fort Bragg, N. C. Orders for the first Army jets are being placed through the Air Force—with Cessna, Beachcraft, and a foreign firm. As jets go, they're inexpensive—$40,000 to $50,000 each. They'll fly about 500 miles an hour.

TRAIN OWN FLYERS

The Army wants to train its own jet fliers so they will feel and think like other Army men rather than like Air Force men on loan.

General Adams says air transport is a must in the Army's new concept.

Indications are that battalions and regiments will be replaced by combat commands and combat groups. Instead of holding a single line, they'll hold sectors, or pockets. The enemy might infiltrate between these pockets—in what General Adams calls our killing ground—at will, and we theirs. To try to move truck convoys through these areas would be suicidal. The Army insists that hedgehopping planes are needed, and has ordered 80 Canadian-made DeHavilland Otters to do the job.

General Adams says the Otter isn't the final answer, however. He's looking for a plane that can handle what a 2½-ton truck would handle.

NOT MUSCLING IN

He insists the Army isn't muscling in on Air Force territory.

"Moving an Army division from this country to Europe would take big planes. You've never heard anyone in the Army suggest we go in for that. That's Air Force responsibility."

At the same time, the Army hopes the Air Force relaxes some of the restrictions it's placed on Army aviation.

For instance, General Adams says, "If we went to war, we'd have to kill tanks and keep on killing tanks in greater numbers than ever before."

The most efficient weapon, he believes, is a small, rocket-firing Army plane. Several years ago, such a weapon was developed and tested by the Army. General Adams says the results were spectacular.

"But," he smiled, "they were never used. We ran into a small obstacle. We weren't supposed to have planes that shoot."

SENATE

TUESDAY, JUNE 14, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, whose love divine hath led us in the past: Be Thou our ruler, guardian, guide, and stay. We lift this day our Jubilate for the starry flag which in all the world is the sacred emblem of this Nation under God. As we pledge anew allegiance to all that its flowing folds symbolize, make us solemnly conscious that—

There's not a thread of it,
No, nor a shred of it
In all the spread of it,
From foot to head,
But heroes bled for it,
Faced steel and lead for it,
Precious blood shed for it,
Bathing it red.

Holding aloft the flag which is freedom's best hope to defeat slavish tyranny, send us forth, we pray Thee, not just to cheer for it, but to live for it; to be willing gladly to die for it; that government of, by, and for the people may not perish from the earth. We would not forget that 178 years ago our starry emblem first floated over heads which, in awe of the Eternal, were bowed in prayer, feeling themselves as uncoerced patriots called to moral and spiritual adventure.

God bless America in these tempestuous days as under that banner she mobilizes her might to defend freedom and oppose tyranny in all the world. And, God, make us worthy of America at its best. Amen.

THE JOURNAL

On request of Mr. STENNIS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 10, 1955, was dispensed with.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of June 10, 1955,

The following reports of committees were submitted:

On June 10, 1955:

By Mr. HOLLAND, from the Committee on Appropriations:

H. R. 6367. A bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes; with amendments (Rept. No. 512).

On June 11, 1955:

By Mr. GEORGE, from the Committee on Foreign Relations, without amendment:

H. R. 2984. A bill authorizing E. B. Reyna, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Los Ebanos, Tex. (Rept. No. 514); and

H. R. 4573. A bill authorizing Gus A. Guerra, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex. (Rept. No. 515).

On June 13, 1955:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 912. A bill to amend the Act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel; with an amendment (Rept. No. 516); and

S. 1292. A bill to readjust postal classification on educational and cultural materials; with amendments (Rept. No. 517).

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENT OF COMMERCE APPROPRIATION BILL—SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of June 10, 1955,

Mr. HOLLAND submitted on June 10, 1955, the following notices in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely: On page 17, after line 5, insert the following:

"Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets; and for payment of expenses of emergency repairs of ships in reserve fleets: *Provided*, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 6367, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which had been ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely: On page 25, after line 18, insert the following:

"SEC. 104. Not to exceed 5 percent of any appropriations of the Department of Commerce available for salaries and expenses may be transferred to any other such appropriation, but no such appropriation shall be thereby increased by more than 5 percent: *Provided*, That such transfers shall be in addition to any other transfers authorized by law, but no such transfer shall be used for the creation of new functions within the Department: *Provided further*, That not to exceed $5,000 of such transfers shall be available for entertainment."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 6367, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which had been ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely: On page 25, after line 18, insert the following:

"SEC. 105. Hereafter the position of Budget Officer of the Department shall be in GS–17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 6367, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which had been ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely: On page 30, after line 25, insert the following new section:

"SEC. 205. The Governor of the Canal Zone and the President of the Panama Canal Company, in computing allowances for the cost of travel on home leave for persons who elect at their expense to take other than the lowest first-class travel to the United States, shall take into account as the cost to the United States the actual cost, as computed by the General Accounting Office, of travel by United States owned and operated vessels rather than a reduced fare rate which is available for such employees when traveling on their own account."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 6367, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which had been ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6367) making appropriations for the Department of Commerce and Related Agencies for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely: On page 30, after line 25, insert the following new section:

"SEC. 206. Notwithstanding the provisions of any other law, the officer of the Army now serving as Governor of the Canal Zone shall, effective July 1, 1955, be considered to hold the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and while so serving shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade."

Mr. HOLLAND also submitted an amendment intended to be proposed by him to House bill 6367, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which had been ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 654. An act to amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans, and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes;

H. R. 5089. An act to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, and for other purposes; and

H. R. 5907. An act for the relief of Albert Woolson.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. STENNIS. Mr. President, under the rule, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business. I ask unanimous consent that statements made in connection with such business be limited to 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a confidential report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of April, 1955 (with an accompanying report); to the Committee on Agriculture and Forestry.

INTERSTATE CIVIL DEFENSE COMPACT BETWEEN UTAH AND HAWAII

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., transmitting, pursuant to law, a copy of an interstate civil defense compact entered into between the State of Utah and the Territory of Hawaii (with accompanying papers); to the Committee on Armed Services.

CONSTRUCTION OF BRIDGES OVER THE POTOMAC RIVER

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title II of the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes" (with accompanying papers); to the Committee on the District of Columbia.

REPORT ON REAL PROPERTY MANAGEMENT

A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report of that Commission on real property management, dated June, 1955 (with an accompanying report); to the Committee on Government Operations.

REPORT ON STUDY OF OBLIGATING BASES AND RELATED ADMINISTRATIVE PRACTICES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the study of obligating bases and related administrative practices, Foreign Operations Administration, dated June 10, 1955 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON NAVY INDUSTRIAL FUND, MARINE CORPS CLOTHING DEPOT, PHILADELPHIA, PA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Navy Industrial Fund, Marine Corps Clothing and Equipment Factory, Philadelphia, Pa., for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ADMINISTRATION OF FOREIGN AGENTS REGISTRATION ACT

A letter from the Attorney General, transmitting, pursuant to law, a report on the administration of the Foreign Agents Registration Act of 1938, as amended, for the period January 1, 1950, to December 31, 1954 (with an accompanying report); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

CONTINUATION OF EFFECTIVENESS OF ACTS RELATING TO WAR-RISK HAZARD AND DETENTION BENEFITS

A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1956 (with accompanying papers); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution 37

"Joint resolution relative to memorializing the Congress of the United States in relation to pending legislation affecting the waters of the Colorado River

"Whereas more than 6 million people in this State depend upon the Colorado River as an important source of water for irrigation, domestic and industrial needs; and

"Whereas the metropolitan areas of southern California, including Los Angeles, San Diego, and some 60 other cities depend on the Colorado River for water and hydroelectric power; and

"Whereas the Colorado River is the sole source of water to irrigate over 1 million acres of land in this State; and

"Whereas legislation is now pending in the Congress of the United States to authorize the construction of two major power and irrigation projects in the upper basin of the Colorado River at an estimated total cost approximating $1,750,000,000; and

"Whereas one of these projects as contemplated by S. 500, H. R. 270 and companion bills, known as the Colorado River storage project, includes (1) the construction of six large dams creating reservoirs with an aggregate storage capacity of 44 million acre-feet and (2) the construction of 14 or more irrigation projects known as 'participating projects'; and

"Whereas these storage dams are not required to serve the proposed irrigation projects but would store water for power purposes under interpretations of the Colorado River compact now being defended against by California in the United States Supreme Court in *Arizona* v. *California et al.*; and

"Whereas the major irrigation participating projects are very costly transmountain diversion projects to take large amounts of the highest quality water out of the Colorado River Basin to other river basins; and

"Whereas the other project, as contemplated by S. 300 and H. R. 412, and known as the Fryingpan-Arkansas Project, is also a very costly transmountain diversion project to take the best quality water out of the Colorado River Basin to the Arkansas River Basin, and is the initial phase of a project to divert 900,000 acre-feet of water per annum out of the Colorado River Basin; and

"Whereas both of these projects are based upon interpretations of the Colorado River compact which are now at issue before the Supreme Court of the United States in the case of *Arizona* v. *California et al.;* and

"Whereas these projects, if constructed under those interpretations, would be detrimental to both the quality and quantity of water to which California has rights long established by prior appropriation as well as by contracts with the Federal Government for projects now constructed; and

"Whereas both proposed projects are based upon questionable standards of financial feasibility and if constructed would cost the taxpayers of our Nation several billion dollars in the form of a subsidy to the lands which would be irrigated; and

"Whereas California is the second largest taxpaying State in the Nation, and would therefore be doubly injured if these projects were authorized both by the impairment of the quality and quantity of water to which existing California projects have established rights, and by the burden of a tremendous tax load: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States be and it is hereby respectfully memorialized and urged to suspend further consideration of legislation authorizing the Colorado storage project and participating projects, and legislation authorizing the Fryingpan-Arkansas Project until the Supreme Court decides the case now before it; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and to each Senator and Representative from California in the Congress of the United States."

Two joint resolutions of the Legislature of the State of California; ordered to lie on the table:

"Assembly Joint Resolution 22

"Joint resolution relative to memorializing Congress concerning minimum wage legislation

"Whereas the economic well-being of its wage earners is of vital importance to this State; and

"Whereas it has been demonstrated that when the wages of labor are insufficient to enable it to purchase the products of agriculture and industry, depression and unemployment soon follow; and

"Whereas the rising cost of living has rendered obsolete the present Fair Labor Standards Act, and the minimum wage scales therein contained are insufficient to allow labor to purchase the products of agriculture and industry: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress to enact legislation to increase the minimum wage provided in the said Fair Labor Standards Act; and be it further

"Resolved, That the Chief Clerk of the Assembly is hereby directed to transmit copies of this resolution to the President of the United States, to the President of the Senate in the Congress of the United States, to the Speaker of the House of Representatives in the Congress of the United States and to each Senator and Representative from California in the Congress of the United States."

"Senate Joint Resolution 28

"Joint resolution relative to the enactment of Federal highway legislation

"Whereas the President of the United States has placed before Congress the matter of the improvement of the roads, streets and highways throughout the Nation, giving special emphasis from the standpoint of national defense to the rapid completion of the interstate system of highways; and

"Whereas there are now numerous bills pending before the Congress relating to the improvement of the Federal aid systems of highways; and

"Whereas the interstate system is now recognized by Federal law as including 40,000 miles of highways throughout the United States but at the present time only 37,600 miles have been designated as being on said system, it being understood that the portion of said remaining 2,400 miles which will be allocated to California will comprise circumferential and other connecting routes in metropolitan areas; and

"Whereas that portion of the interstate system located within California includes highways most seriously deficient from the standpoints of traffic volumes, traffic safety, and structural inadequacy; and

"Whereas the completion of the interstate system from Federal funds would permit the more rapid correction of the remaining deficiencies on the public streets and highways in California: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States is memorialized to enact legislation for the completion of the interstate system within the shortest feasible period of time, and that such legislation should recognize the following principles:

"1. That the provisions for the Federal financing of the interstate system should permit long-range planning, to the end that the system can be completed as rapidly as possible and as a free system of highways.

"2. That the program for improving the interstate system should not interfere with the orderly allocation of funds for the other Federal aid systems of highways.

"3. That the formula for the allocation of additional funds among the various States for improvement of the interstate system should be based upon the needs for improvement of that system in the various States, and that such formula should be made definite and certain, so that the various States may plan and construct said interstate system as rapidly as possible in an orderly manner.

"4. That the provisions requiring States to match Federal funds for the improvement of the interstate system should not require a greater outlay by the States for such system than was required in amount to match the 1956 allocations for that system under the 1954 Federal Highway Act.

"5. That the preparation of the plans and specifications of projects, their priority, and the handling of the construction work be substantially as has previously been provided under existing Federal-aid legislation.

"6. That if credit is to be given to any State by reason of the previous completion or toll financing of any portion of the interstate system, the legislation be so drafted that such credits be taken into consideration in computing the allocation formula, so that no delays will result while such credits are being computed; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the Vice President of the United States, the chairman of the appropriate committees of the Congress, and to each Senator and Representative from the State of California.

"Approved June 6, 1955.

"ORANGE COMMUNITY CHAMBER OF COMMERCE,

"GENE WHITE, *President*,

"Attest:

"GERRIT STUURMANS, *Secretary*."

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"Joint Resolution 54

"Joint resolution requesting the Congress of the United States to amend section 73 of the Hawaiian Organic Act to provide for the screening of applicants for homesteads prior to selection by drawing or lot and to permit payment for such homesteads to be made over periods of time

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to amend section 73 (i) of the Hawaiian Organic Act substantially as set forth in the following form of bill:

"'A bill to amend section 73 (i) of the Hawaiian Organic Act

"'Be it enacted, etc.—

"'SECTION 1. After public notice as hereinafter provided, the persons entitled to take under any such certificate, lease, or agreement shall be determined by drawing or lot; provided, however, the commissioner shall have the authority to determine who shall be eligible for the same and to restrict participation in said drawing or lot to those applicants who, by reason of experience or training, are qualified farmers or ranchers.

"'SEC. 2. The sale of such lands to successful applicants shall be on an extended time basis so that such applicants are not required to pay the entire purchase price therefor upon the receipt of such lands.

"'SEC. 3. This act shall take effect on and after the date of its approval.'

"SEC. 2. Certified copies of this joint resolution shall be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, the Secretary of the Interior, and the Delegate to Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 8th day of June 1955.

"SAMUEL WILDER KING,

"Governor of the Territory of Hawaii."

Resolutions adopted by the Holy Name Society of Saint Blaise, R. C. Church, and the Holy Name Society District Committee, 24th District of the Diocesan Union of Holy Name Societies of the Diocese, both of the city of Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

The petition of John Taylor, and sundry other citizens, of the State of New York, praying for the enactment of Senate Joint Resolution 1, relating to the treatymaking power; to the Committee on the Judiciary.

A resolution adopted by the Pennsylvania Department of Veterans' Affairs, Improved, Benevolent and Protective Order of Elks of the World, favoring the enactment of legislation to strengthen the Veterans' Preference Act of June 27, 1954; to the Committee on Post Office and Civil Service.

A resolution adopted by the Pennsylvania Department of Veterans' Affairs, Improved, Benevolent and Protective Order of Elks of the World, favoring the enactment of legislation providing a pension of $100 a month to all honorably discharged veterans of World War I who are over 62 years of age; to the Committee on Finance.

Two resolutions adopted by the Pennsylvania Department of Veterans' Affairs, Improved, Benevolent and Protective Order of Elks of the World, favoring the amendment of the Servicemen's Readjustment Act of 1944, to extend the authority of the Administrator to make additional types of direct loans; and to extend the time for filing applications by certain veterans for payment on the purchase price of automobiles; ordered to lie on the table.

A resolution adopted by the Fullerton, Calif., Chamber of Commerce, relating to the enactment of Federal highway legislation; ordered to lie on the table.

A resolution adopted by the California Association of Airport Executives, Inc., Fullerton, Calif., relating to the deletion from income, for tax purposes, moneys paid as rental for any airport facilities built with general obligation or revenue bond money; to the Committee on Finance.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Post Office and Civil Service:

"Resolutions memorializing the Congress of the United States to authorize and approve the issuance of a Massachusetts heritage stamp

"Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to authorize and approve the issuance of a special 3-cent stamp in honor of the 175th anniversary of the signing of the Massachusetts constitution, and that the Post Office Department be directed to use on the stamp a reproduction of the Albert Herter mural in the Massachusetts House Chamber showing John Adams drafting the State constitution; and be it further

"Resolved, That the general court urges upon the Congress the importance in these troubled times of keeping alive in the Nation and in the world the tradition of courage, the love of freedom, and the consideration for one's fellowman, which are embodied in the historic document upon which representative government was founded in Massachusetts; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Postmaster General, to the presiding officers of each branch of Congress, and to the Members thereof from this Commonwealth.

"House of representatives, June 1, 1955, adopted.

"LAWRENCE R. GROVE,

"Clerk.

"Senate, June 7, 1955, adopted, in concurrence.

"IRVING N. HAYDEN,

"Clerk."

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which was referred to the Committee on Post Office and Civil Service.

RESOLUTIONS OF DISABLED AMERICAN VETERANS CONVENTION AT GRAND FORKS, N. DAK.

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD resolutions adopted at the annual convention of the Disabled American Veterans, at Grand Forks, N. Dak.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

"Resolution supporting and recommending passage of H. R. 2440

"Whereas H. R. 2440 to make widows, child, or children of any deceased person who served honorably under certain conditions, in World War II and the Korean emergency eligible for death pension on the same basis as presently authorized for such dependents of deceased veterans of World War I: Therefore be it

"Resolved, That the Disabled American Veterans of the Department of North Dakota, in convention assembled this 30th day of April 1955, do hereby request and petition our Senators and Representatives to support H. R. 2440 of the 84th Congress.

"Passed by the annual convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

"Resolution supporting and recommending passage of H. R. 3707, to amend veterans regulation No. 9 (a) to provide that the burial allowance payable thereunder shall be increased to $250

"Whereas the cost of funerals has increased considerably the past years causing the widows and dependents of deceased veterans much hardship in trying to meet the cost of burial, and in many cases causing many of the dependents to incur unpaid funeral costs in order to see that our veterans are properly buried: Now, therefore, be it

"Resolved by this 35th annual convention of the Disabled American Veterans, Department of North Dakota, That we urge our Congressmen and Senators to support H. R. 3707.

"Passed by the annual convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

"Whereas Public Law 23, 82d Congress, which was approved April 25, 1951, took from servicemen the right to apply for new insurance as provided in the N. S. L. I. Act of 1940 as amended, or the World War Veterans Act of 1924, as amended; and

"Whereas there are now many disabled veterans who cannot obtain insurance because of their service connected disabilities; Therefore be it

"Resolved, That this 35th Annual Convention of the Disabled American Veterans, Department of North Dakota, hereby request and urge the United States Congress to amend Public Law 23 so the veterans whose term periods have expired would have the same right to obtain new insurance as they had before the passage of Public Law 23, 82d Congress.

"Passed by the 35th Annual Convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

"Resolution supporting and recommending passage of House Resolution No. 704, to provide increases in the monthly rates of compensation payable to veterans with service connected disabilities

"Resolved, That the Disabled American Veterans of the Department of North Dakota in convention assembled this 30th day of April 1955, do hereby request and petition our Senators and Representatives to support House Resolution No. 704 of the 84th Congress.

"Passed by the annual convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

"Whereas it has been the policy of the Disabled American Veterans to have all disabled veterans treated equally and correct discriminatory legislation; and

"Whereas under existing laws and regulations of the Veterans' Administration regarding tuberculosis, a veteran that has arrested tuberculosis receives the graduated rating for 6 years, and if no residuals are present after the 6 years, he is automatically entitled to the statutory award of $67; and

"Whereas another veteran with tuberculosis which has resulted in rib resection, removal of lobe, etc., is entitled to the graduated scale for tuberculosis for 6 years, and if his tuberculosis is determined to be far advanced or moderately advanced, he receives a permanent rating of 20 percent or 30 percent or is entitled to the statutory award of $67. Since this $67 amounts to more than he would receive for the 20 percent or 30 percent, he is granted the greater amount but receives no additional compensation for the residuals: Now, therefore, be it

"Resolved, That this convention of the Disabled American Veterans of North Dakota assembled in Grand Forks, N. Dak., on April 29 and 30, and May 1, 1955, hereby respectfully request and urge Congress to amend Public Law 141, 73d Congress, to provide that where adequate medical evidence is shown of residual disability from tuberculosis that the veteran be granted a rating for this residual disability plus the statutory award.

"WILLIAM J. DISHER,
"National Service Officer.

"Passed by the Disabled American Veterans, Department of North Dakota convention, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

To the Committee on Labor and Public Welfare:

"Resolution to establish educational assistance program for children of servicemen who died as a result of a disability incurred in line of duty during World War II or the Korean service period in combat or an instrumentality of war

"Whereas many dependent children of deceased World War II veterans and Korean veterans which veterans lost their lives by disabilities incurred in combat or in line of duty during World War II and the Korean service period are now unable to further their education due to loss of their fathers and whose income are so restricted due to this loss: Now, therefore, be it

"Resolved, That the Disabled American Veterans assembled in convention at Grand Forks, N. Dak., on April 30, 1955, request and urge our Senators and Representatives from North Dakota to take all-out action for the passage of House Resolution No. 3589.

"Passed by the annual convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

"Resolution protesting certain recommendations of the Hoover Commission pertaining to veterans' benefits

"Whereas the Hoover Commission in their recent report recommended closing certain VA hospitals; and

"Whereas the Hoover Commission further recommended the entire VA system of disability compensation should be made "more realistically related" to the loss of earning power by the disabled veterans: Now, therefore, be it

"Resolved, That this 35th annual convention of the Disabled American Veterans, Department of North Dakota held at Grand Forks, N. Dak., this 29th and 30th day of April 1955, protest such unrealistic recommendations as not being sound and equitable, and further that such recommendations, especially pertaining to the closing of the VA hospitals in North Dakota, would create undue hardship to wartime disabled veterans of our State and deprive many wartime disabled veterans of medical treatment and hospitalization for which they are justly entitled; be it further

"Resolved, That we of the DAV of North Dakota urgently request our Senators and Representatives to take all steps necessary to defeat the above recommendations of the Hoover Commission.

"Passed by the annual convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

"Resolution supporting and recommending passage of House Resolution 2623

"Whereas House Resolution 2623 to amend title of the GI bill as amended to authorize the Administrator of Veterans' Affairs to make direct loans to eligible veterans for the purchase of farm property, repair, alteration, construction, or improvement thereon: Now, therefore, be it

"Resolved by this 35th annual convention of the Disabled American Veterans, Department of North Dakota, That we urge our Senators and Representatives to support House Resolution 2623.

"Passed by the annual convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

"Resolution to authorize the Veterans' Administration to pay the necessary cost of medical examinations for disabled veterans who have been notified by the Veterans' Administration that a reduction in their disability compensation will be made based upon the findings of Veterans' Administration authorized medical examinations

"Whereas veterans who have been examined by authorized VA examinations; and

"Whereas in many cases when these examination reports are reviewed by VA adjudication divisions it results in the lowering of the veteran's disability rating; and

"Whereas when this decision is reached by VA adjudication divisions the veteran is then notified by letter from the VA that a reduction in his compensation will be made within 60 days from the date of the said letter unless medical evidence is submitted by the veteran to show that the proposed rating is not just: Now, therefore, be it

"Resolved by the Disabled American Veterans, Department of North Dakota, assembled in convention in Grand Forks, N. Dak., on this 30th day of April 1955, That we request our Senators and Representatives to initiate the necessary action to change Veterans' Administration regulations to allow these veterans to have medical examinations by medical doctors of their choice, and impartial to both parties, and the results of this examination to be submitted by the examining physician to the VA as medical evidence needed within the 60-day period; be it further

"Resolved, That the cost of this examination be paid by the Veterans' Administration.

"Passed by the 35th annual convention of the Disabled American Veterans, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

To the Committee on Armed Services:

"Resolution to exempt DAV national service officers and accredited service officers from the payment of fees for the copying, certification, and search of records

"Whereas it has been the custom and practice of the various branches of the military services and of the Department of Defense to furnish to all national service officers of the Disabled American Veterans any record of a former serviceman which is of record and is required to develop the veteran's claim and establish his entitlement to benefits provided by law, when requested by the DAV national service officer and upon his statement that such records or information is for submission to the Veterans' Administration or other Government agencies and without cost; and

"Whereas the Department of Defense has now issued a directive, effective March 3, 1955, wherein such services as 'relating to copying, certification, and search of records' previously rendered to the DAV and other recognized congressionally chartered veterans' organizations, and has directed that a fee or fees be charged for such service or furnishing of such records; and

"Whereas the national service officers of the Disabled American Veterans are duly recognized by law as accredited attorneys in fact and authorized to aid and assist, when requested, any veterans seeking to establish his possible entitlement to benefits provided by law and to appear as the veteran's representative before the Veterans' Administration and Government agencies as the recognized agent or attorney of such veteran with specific provision and understanding that such services be rendered without cost or remuneration to the veteran claimant; and

"Whereas the charging of fees for such necessary search and furnishing of military records by the Department of Defense will render an undue hardship upon the veteran and his representative and further impede the prompt adjudication of the veteran's claim: Now, therefore, be it

"Resolved by the Disabled American Veterans, Department of North Dakota, in convention assembled this 30th day of April 1955, That the national director of claims be authorized and ordered to seek by administrative means to have the Disabled American Veterans and its authorized and accredited service officers exempt from the payment of such fees, and further if such efforts to seek redress by administrative means fail that the director of legislation be authorized and ordered to seek remedy by legislative action.

"Passed by the annual convention of the DAV, Department of North Dakota, April 30, 1955.

"MAX FOERSTER,
"Department Adjutant."

THE REFUGEE RELIEF ACT—RESOLUTIONS

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, resolutions adopted at a conference on the German and German Ethnic Refugee and the Refugee Act of 1953, at the Liederkranz Club, 6 East 87th Street, New York City, on June 10, 1955, and the Steuben Society of America, at Hartford, Conn., on June 4, and 5, 1955, relating to the Refugee Relief Act of 1953.

There being no objection, the resolutions were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Whereas the Refugee Relief Act of 1953 gave hope to 90,000 German and German ethnic refugees for refuge in the United States of America; and

Whereas after 22 months of operation these hopes are dimmed by restrictive definitions as to refugees and expellees, now in West Germany, and burdensome assurance requirements here; and

Whereas societies composed of Americans of Germanic origin, interested in the fulfillment of the intent of this law, have consulted for the purpose of arriving at unanimous recommendations for the solution of the problems causing the slow and disappointing progress; and

Whereas the views held by the representatives of the various societies were conveyed to the Steuben Society of America, and said society introduced a resolution and recommendations, contents of which are in agreement with the views held by the societies, organizations, and associations here represented: Now, therefore, be it

Resolved, That this conference attended by representatives of said societies, organizations, and associations, endorse said resolution and recommendations, and that they so petition the Congress of the United States of America to amend the Refugee Relief Act of 1953 in accordance with the attached.

George S. Kundmuller, Federation of Americans of German Descent; Robert Fesenmeyer, Kolping Society of America; Theobald Dengler, St. Raphael Society; Peter Wagner, United Friends of Needy and Displaced People of Yugoslavia; Hans Froehlich, American Sudeten Association; Otto L. Heerlein, Steuben Society of America; Gottschee'r Relief Association; Charles Schultz, Pastorius Association; Martin Opritz, Ward Lange, German American Special Immigration Committee; Willie Schoeps, Urion Singing Society.

Whereas Public Law No. 203, cited as the "Refugee Relief Act of 1953," was enacted on August 7, 1953, by the Congress of the United States of America for the purpose of giving relief and asylum to innocent victims of war, and of the Yalta and Potsdam agreements; and

Whereas this law was enacted in part to relieve Germany and Austria of the problems created by the presence and the continued influx of expellees and escapees; and

Whereas after 22 months of operation, as of May 22, 1955, only 4,668 visas have been issued to German and German ethnic refugees, out of 90,000 allowable under the act; and

Whereas certain administrative provisions have resulted in retarding the execution of the act; and

Whereas attempts are being made to reallocate the unused portions of the German and German ethnic quotas to the quotas of other nationals: Now, therefore, be it

Resolved, That the national council of the Steuben Society of America, assembled for its annual meeting at Hartford, Conn., June 4 and 5, 1955, petition the Congress of the United States that proper measures be enacted in furtherance of the true intent of the act to make possible the admittance by December 31, 1956, of the 209,000 persons, as provided therein; and be it further

Resolved, That the Steuben Society of America is unalterably opposed to a reallocation in any shape, form, or manner, of the German and German ethnic quotas to any other nationalities or quotas.

RECOMMENDATIONS TO AMEND PUBLIC LAW 203 CITED AS THE "REFUGEE RELIEF ACT OF 1953," ADOPTED AT THE ANNUAL MEETING OF THE NATIONAL COUNCIL OF THE STEUBEN SOCIETY OF AMERICA AT HARTFORD, CONN., JUNE 4 AND 5, 1955

DEFINITIONS

Section 2: (a) Strike out lines 5 and 6.

(b) Line 1, substitute "person" for refugee.

(c) Line 1, substitute "person" for refugee.

New (d) A refugee, expellee, or escapee shall not be deprived of the benefits under this act for having earned the necessities of life in the country of first asylum, nor for having taken up citizenship for the purpose of having employment.

(e) Present article (d).

ASSURANCES

Section 7: (a) Line 4, insert after "citizen," "or a qualified resident or residents of at least 2 years' duration who has or have made application for citizenship."

(a) Line 13, insert after 1953, "and dependent parents."

(a) Lines 18, 19, and 20, strike out "Blanket assurances, or assurances not submitted by a responsible individual citizen or citizens, shall not be considered as satisfying the requirements of this section" and substitute: "When a recognized voluntary agency is prepared to give assurances for employment, housing and that the immigrants will not become public charges, individual assurances shall not be required."

(a) Line 26, insert after "citizen", as on line 4 article (a), "or a qualified resident or residents of at least 2 years' duration who has or have made application for citizenship" followed by "or recognized voluntary agency."

(a) Also line 26, strike out "personal" and substitute "moral."

(a) Line 27, after the word "assurance", insert "This moral obligation shall expire 5 years from the day of entry."

(d) Line 8, after the word "act", insert *"Provided,* That this provision may be waived on the recommendation of the Secretaries of State and Defense when determined by them to be in the national interest."

To further expedite the administration of the Refugee Relief Act of 1953, we recommend that a more simplified assurance form be used, patterned after D. S. P. 41, and a more liberal interpretation of the act and uniform directives to the administrators and the participating agencies of Government involved.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

H. R. 4853. A bill to authorize the sale of certain land in Alaska to the Pacific Northern Timber Co.; with an amendment (Rept. No. 537).

By Mr. KILGORE, from the Committee on the Judiciary, without amendment:

S. 80. A bill for the relief of Nicholas Neapolitakis (Rept. No. 519);

S. 176. A bill for the relief of Gerda Irmgard Kurella (Rept. No. 520);

S. 186. A bill for the relief of Spirodon Karousatos (Rept. No. 521);

S. 561. A bill for the relief of Feliciano C. Mendoza (Rept. No. 522);

S. 562. A bill for the relief of Charles F. Garriz (Rept. No. 523);

S. 1884. A bill for the relief of Gertraut Hildegarde Marie Hubinger and Franz Hubinger (Rept. No. 524);

H. R. 1062. A bill for the relief of Luigi Cianci (Rept. No. 525);

H. R. 1081. A bill for the relief of Anna Tokatlian Gulezian (Rept. No. 526);

H. R. 1086. A bill for the relief of Mayer Rothbaum (Rept. No. 527);

H. R. 1108. A bill for the relief of Rose Mazur (Rept. No. 528);

H. R. 1165. A bill for the relief of Maria Theresia Reinhardt and her child Maria Anastasia Reinhardt (Rept. No. 529); and

H. R. 1664. A bill for the relief of Charles Chan (Rept. No. 530).

By Mr. KILGORE, from the Committee on the Judiciary, with an amendment:

S. 664. A bill for the relief of Mecys Jauniskis (Rept. No. 531);

S. 1155. A bill for the relief of Iva Druzianich (Iva Druzianic) (Rept. No. 532);

S. 1730. A bill for the relief of Anna Marie Hitzelberger Scheidt, and her minor child, Rosanne Hitzelberger (Rept. No. 533);

H. R. 947. A bill for the relief of Carl E. Edwards (Rept. No. 534); and

H. R. 1085. A bill for the relief of Moses Aaron Butterman (Rept. No. 535).

By Mr. KILGORE, from the Committee on the Judiciary, with amendments:

S. 606. A bill for the relief of Gisela Hofmeier (Rept. No. 536).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

H. R. 208. A bill granting the consent of Congress to the States of Arkansas and Oklahoma, to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States (Rept. No. 539);

H. R. 3878. A bill to amend section 5 of the Flood Control Act of August 18, 1941, as amended, pertaining to emergency flood-control work (Rept. No. 540); and

H. R. 4426. A bill to amend section 7 of the act approved September 22, 1922, as amended (Rept. No. 541).

By Mr. CHAVEZ, from the Committee on Public Works, with an amendment:

H. R. 5923. A bill to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway (Rept. No. 542).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 890. A bill to extend and strengthen the Water Pollution Control Act (Rept. No. 543); and

S. 1550. A bill authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge across the St. Croix River between Calais, Maine, and St. Stephen, New Brunswick, Dominion of Canada (Rept. No. 544).

By Mr. CHAVEZ, from the Committee on Appropriations, with amendments:

H. R. 6042. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes (Rept. No. 545).

By Mr. HUMPHREY, from the Committee on Foreign Relations:

S. Res. 93. Resolution appointing a subcommittee to work toward the goal of world disarmament; without amendment (Rept. No. 547).

By Mr. RUSSELL, from the Committee on Armed Services:

H. R. 3005. A bill to further amend the Universal Military Training and Service Act by extending the authority to induct certain individuals, and to extend the benefits under the Dependents Assistance Act to July 1, 1959; with amendments (Rept. No. 549).

AMENDMENT OF HOME OWNERS' LOAN ACT OF 1933—REPORT OF A COMMITTEE

Mr. FREAR. Mr. President, I report favorably, without amendment, the bill (S. 972) to amend the Home Owners' Loan Act of 1933, as amended, and I submit a report (No. 518) thereon, together with minority views, and I ask unanimous consent that the report be printed.

The VICE PRESIDENT. The report, together with the minority views, will be received and printed, and the bill will be placed on the calendar.

APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION FOR CONSTRUCTION OF PLANTS AND FACILITIES, ETC.—REPORT OF A COMMITTEE

Mr. ANDERSON. Mr. President, from the Joint Committee on Atomic Energy, I report an original bill to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes, and I submit a report (No. 538) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2220) to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes, reported by Mr. ANDERSON, from the Joint Committee on Atomic Energy, was received, read twice by its title, and placed on the calendar.

STRENGTHENING AND IMPROVEMENT OF ORGANIZATION OF DEPARTMENT OF STATE—REPORT OF A COMMITTEE

Mr. GEORGE. Mr. President, from the Committee on Foreign Relations, I report favorably an original bill (S. 2237) to amend the act of May 26, 1949, to strengthen and improve the organization of the Department of State, and for other purposes, and I submit a report (No. 546) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2237) to amend the act of May 26, 1949, to strengthen and improve the organization of the Department of State, and for other purposes, reported by Mr. GEORGE from the Committee on Foreign Relations, was read twice by its title, and placed on the calendar.

AUTHORIZATION FOR APPOINTMENT OF CONGRESSIONAL DELEGATION TO ATTEND NORTH ATLANTIC TREATY ORGANIZATION PARLIAMENTARY CONFERENCE—REPORT OF A COMMITTEE

Mr. GEORGE, from the Committee on Foreign Relations, to which was referred the concurrent resolutions (S. Con. Res. 28 and S. Con. Res. 29) authorizing the appointment of a congressional delegation to attend the North Atlantic Treaty Organization Parliamentary Conference, reported favorably, without amendment, the concurrent resolution (S. Con. Res. 29) and submitted a report (No. 548) thereon.

Mr. GEORGE also, from the Committee on Foreign Relations, reported favorably an original resolution (S. Res. 112) to appoint Members of the Senate to attend the North Atlantic Treaty Organization Conference in Paris in July 1955 (Rept. No. 548); which was placed on the calendar, as follows:

Whereas a Parliamentary Conference of the North Atlantic Treaty Organization will meet in Paris in July 1955; and

Whereas among other items it is planned to discuss at the Conference the question of future cooperation by the NATO members, including their parliamentary bodies; and

Whereas the Senate has taken a leading part in the formation of the Organization and in its support through the enactment of measures to strengthen its capacity to defend the North Atlantic area against Communist aggression; and

Whereas the presence of Members of the Senate at the Conference will be a tangible demonstration of the continuing desire of the American people to support the Organization and to promote closer relations with and between the members of the Organization; and

Whereas such a Conference can contribute to the strength of the North Atlantic area in the maintenance of peace and security and the mutual interests of its members: Now, therefore, be it

Resolved by the Senate, That not to exceed seven Members of the Senate shall be appointed to meet jointly with the representative parliamentary groups from other NATO members meeting in conference in Paris in July 1955, for discussion of common problems in the interests of the maintenance of peace and security in the North Atlantic area. The Members of the Senate to be appointed for the purposes of this resolution shall be appointed by the President of the Senate from Members of the Senate. Not more than four of the appointees shall be of the same political party.

The expenses incurred by Members of the Senate, and by staff members appointed for the purpose of carrying out this resolution shall not exceed $15,000 and shall be paid from the contingent fund of the Senate. Payment shall be made upon the submission of vouchers approved by the chairman of the Senate delegation.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 14, 1955, he presented to the President of the United States the enrolled bill (S. 654) to amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans, and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN of Pennsylvania:

S. 2204. A bill for the relief of Maria del Pilar Valcarcel Calderon Armistead; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 2205. A bill to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes; to the Committee on the Judiciary.

By Mr. HRUSKA (by request):

S. 2206. A bill to provide for the construction and operation by the Secretary of the Interior of the Ainsworth unit of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

By Mr. THYE:

S. 2207. A bill to provide that admissions to certain historical pageants conducted in connection with public celebrations of historical events shall be exempt from the admissions tax; to the Committee on Finance.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 2208. A bill for the relief of Herman Floyd Williams, Bettie J. Williams, and Alma G. Segers; to the Committee on the Judiciary.

By Mr. McNAMARA:

S. 2209. A bill to further increase rates of basic compensation of officers and employees in the postal service; to the Committee on Post Office and Civil Service.

By Mr. McNAMARA (for himself and Mr. HUMPHREY):

S. 2210. A bill to modify the project for the Saint Marys River, Mich., South Canal, in order to repeal the authorization for the alteration of the International Bridge as part of such project, and to authorize the Secretary of the Army to accomplish such alteration; to the Committee on Foreign Relations.

By Mr. KEFAUVER:

S. 2211. A bill for the relief of Anna Michael;

S. 2212. A bill for the relief of Jean Pierre Lafitte;

S. 2213. A bill to require that any publication transported in interstate commerce shall contain the name and address of the publisher of such publication; and

S. 2214. A bill to prohibit certain acts and transactions with respect to gambling materials; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself, Mrs. SMITH of Maine, and Mr. JACKSON):

S. 2215. A bill to establish a civil defense commission to study dispersal; to the Committee on Armed Services.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER:

S. 2216. A bill to amend the act of March 4, 1915 (38 Stat. 1086, 1101; 16 U. S. C. 497); to the Committee on Agriculture and Forestry.

By Mr. BIBLE:

S. 2217. A bill to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof; to the Committee on Interior and Insular Affairs.

By Mr. BIBLE (for himself and Mr. MALONE):

S. 2218. A bill to provide for the conveyance, upon completion of the payment of construction charges, of the Newlands project, including lands and works, to the Truckee-Carson Irrigation District, Fallon, Nev.; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bills, which appear under a separate heading.)

By Mr. KNOWLAND (for Mr. DIRKSEN and Mr. DOUGLAS):

S. 2219. A bill authorizing the acquisition of certain lands in Sinnissippi Lake, Ill., in connection with the operation of the Illinois and Mississippi Canal, and for oher purposes; to the Committee on Public Works.

By Mr. ANDERSON:

S. 2220. A bill to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes; placed on the calendar.

(See the remarks of Mr. ANDERSON when he reported the above bill, from the Joint Committee on Atomic Energy, which appear under a separate heading.)

By Mr. KILGORE:

S. 2221. A bill to relieve disbursing officers, certifying officers, and payees with respect to certain payments made in contravention of appropriation restrictions regarding citizenship status, and for other purposes;

S. 2222. A bill to amend title 18, entitled "Crimes and Criminal Procedure," of the United States Code, to provide a criminal sanction for the embezzlement or theft of the property of Indian tribal organizations;

S. 2223. A bill to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the Courts of Appeals and the review or enforcement of such orders on the original papers and to make uniform the law relating to the record on review or enforcement of such orders and for other purposes;

S. 2224. A bill for the relief of certain rural carriers;

S. 2225. A bill to prohibit in any lawsuit or action for damages the use and admission as evidence of investigations by the military departments of aircraft accidents conducted in the interest of air safety; and

S. 2226. A bill to authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941; to the Committee on the Judiciary.

S. 2227. A bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended; to the Committee on the Judiciary.

(See the remarks of Mr. KILGORE when he introduced the above bills, which appear under a separate heading.)

By Mr. MARTIN of Pennsylvania:

S. 2228. A bill to extend the time limitation to 2 years within which persons interested in the restoration of the United States ships *Olympia* and *Oregon* as public memorials may take delivery of such vessels; to the Committee on Armed Services.

By Mr. LEHMAN:

S. 2229. A bill for the relief of Nina Greenberg; to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 2230. A bill to make the Housing and Home Finance Agency, the Rural Electrification Administration, and the Small Business Administration subject to the Government Corporation Control Act; to the Committee on Government Operations.

(See the remarks of Mr. WILLIAMS when he introduced the above bill, which appear under a separate heading.)

By Mr. IVES:

S. 2231. A bill for the relief of Alessandro, Carmela, Pasqualina, Massimo, and Michele D'Antonio; and

S. 2232. A bill for the relief of Carmelitta Reale; to the Committee on the Judiciary.

By Mr. BENDER:

S. 2233. A bill to extend and renew letters patent relating to vehicle door hardware; to the Committee on the Judiciary.

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 2234. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Juniper division of the Wapinitia Federal reclamation project, Oregon; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 2235. A bill for the relief of Petrus (Piet) Aarden; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 2236. A bill for the relief of Thomas J. Morris; to the Committee on the Judiciary.

By Mr. GEORGE:

S. 2237. A bill to amend the act of May 26, 1949, to strengthen and improve the organization of the Department of State, and for other purposes; placed on the calendar.

(See the remarks of Mr. GEORGE when he reported the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. J. Res. 78. Joint resolution to amend the joint resolution providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor; to the Committee on Foreign Relations.

EXEMPTION FROM TAX OF ADMISSIONS TO CERTAIN HISTORICAL PAGEANTS

Mr. THYE. Mr. President, recently two Minnesota communities have contacted me with respect to a tax problem with which they have been confronted in connection with a special celebration commemorating the founding of their town. Briefly, the problem has developed out of each community association established to conduct the event having applied for exemption from the admissions tax and later having had such exemption denied under existing law.

At the present time, there are many events or organizations exempt from the admissions tax. However, such events as I have mentioned are, I find, subject to the tax on admissions. Since certain events are presently exempt and since the proceeds of special celebrations as those to which I have referred are turned over to charitable organizations or to other worthy programs, it would appear justified to extend an exemption from the admissions tax to commemorative celebrations such as those I have described. Consequently, I introduce for appropriate reference a bill to amend section 4233 (a) of the Internal Revenue Code of 1954 so as to provide that admissions to certain historical pageants by civic and community associations shall be exempt from the admissions tax.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2207) to provide that admissions to certain historical pageants conducted in connection with public celebrations of historical events shall be exempt from the admissions tax, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Finance.

FURTHER INCREASED COMPENSATION FOR OFFICERS AND EMPLOYES OF THE POSTAL SERVICE

Mr. McNAMARA. Mr. President, I introduce, for appropriate reference, a bill to further increase rates of basic compensation of officers and employees in the postal service.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2209) to further increase rates of basic compensation of officers

and employees in the postal service, introduced by Mr. McNAMARA, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

Mr. McNAMARA. Mr. President, the justification for this 4-percent increase, in addition to the previous increase in salaries, which has been pretty much accepted as a minimum, is to take care of the slight difference as between the various bills which were previously before us. The additional increase seems to be well justified under the circumstances.

PROPOSED CIVIL DEFENSE COMMISSION TO STUDY DISPERSAL

Mr. KEFAUVER. Mr. President, I send to the desk for appropriate reference a bill introduced by myself, and cosponsored by the Senator from Washington [Mr. JACKSON] and the Senator from Maine [Mrs. SMITH].

This bill would establish a commission to study the question of dispersal as it relates to civil defense. As we all know, one of the problems of civil defense is to devise means of reducing the vulnerability of our highly populated industrial centers. This entire problem is very complex and involves such questions as the protection of the tax structure of our metropolitan areas and the designation of industries which may not be capable of dispersal to any great degree.

The commission which this bill would establish would be organized along the lines of the present Hoover Commission and would be composed of 8 members, 4 appointed by the President, 2 by the President of the Senate, and 2 by the Speaker of the House. The Commission would be required to make its initial report on or before December 31, 1955, and its final report by March 31, 1956. On this latter date the Commission under the terms of the bill would cease to exist.

It is significant to note that the establishment of this type of commission to study dispersal was formerly suggested to the Armed Services Subcommittee on Civil Defense by Mr. Arthur S. Flemming, Director of the Office of Defense Mobilization. It appears to be Dr. Flemming's view that only with this type of commission could substantial progress be made on the complex problem of dispersal.

Mr. President, I urge expeditious consideration of this measure in order that the bill may be acted on before the close of this session of Congress.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2215) to establish a civil defense commission to study dispersal, introduced by Mr. KEFAUVER (for himself, Mrs. SMITH of Maine, and Mr. JACKSON), was received, read twice by its title, and referred to the Committee on Armed Services.

GRANTING CERTAIN OWNERSHIP RIGHTS TO LOCAL IRRIGATION DISTRICTS

Mr. BIBLE. Mr. President, I introduce for appropriate reference two separate bills to amend Federal reclamation laws and to grant to water users on federally financed reclamation projects certain rights of ownership and control when the Federal Government has been repaid all construction, operational, and maintenance costs plus accrued interest.

These bills approach the subject by two methods. One is general in character, providing for the transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of the repayment costs.

This bill would permit the Federal Government to get out of the water-distribution business. Actually, it would permit an organized water district representing water users on any project or division of a project built under Federal reclamation laws, to request the Secretary of the Interior to transfer title to such irrigation distribution system from the Federal Government to the local water-user organization when repayment costs and contractual obligations have been met.

Likewise, such a transfer would free the Federal Government of future claims or liability and render the transferee water district liable for claims the Federal Government may have incurred with respect to the distribution system.

The distribution system would include works and structures for the delivery of water, drains, lands, interests in land, equipment, supplies, and past records.

The question may be asked, why I would restrict the title reversion provision to irrigation distribution systems alone instead of making it all-inclusive to take in all project works such as dams, powerplants, and appurtenances. My answer is this. I feel title reversion could not be accomplished in many instances. Fundamentally I would favor that approach. However, in my judgment, title reversion to the entire project works would be impossible legally and practically.

I say this because I realize that in some cases, such as the Newlands project in Nevada, the country's first reclamation development, complete title reversion would present no problem. However, in various places in the country there are numerous organized irrigation districts which in many instances take water from the same storage facility. As a consequence, title to all project works could not be divided among several districts. Likewise, in many cases, irrigation districts taking water from the same source might be located many hundreds of miles apart or located in different States.

It is my belief that full reversion in many instances cannot be accomplished. Where it can, it would seem to me that specific legislation providing for each individual transfer of title to all project works of the reclamation development concerned could be more easily effectuated.

Practically speaking, irrigation distribution systems are more local in character than diversion dams and powerplants. Legal ownership of such systems in water users who have paid off construction and maintenance costs would provide dollar savings to the Federal Government and to the local users. It would tend toward greater efficiency and economy of operation because the persons dependent upon such systems for their livelihood would hold legal title.

The second bill, in which my colleague, the senior Senator from Nevada [Mr. MALONE] has joined as a cosponsor, provides for a transfer of title from the Federal Government to the Truckee-Carson Irrigation District in Nevada of the Newlands project, the first federally built reclamation development in the United States.

I am fully aware of the landmark effect this proposed legislation might well have on our Federal reclamation law. However, I am motivated by a conviction that the Federal Government, when it has been repaid every dollar of its investment, should divest itself of ownership and control. Those responsibilities, and the advantages and disadvantages they entail, should be placed in the farmers who have paid their dollars on the repayment contracts.

Perhaps it would be enlightening to review the history of federally financed reclamation projects. The father of reclamation in the United States was the Honorable Francis G. Newlands, one of Nevada's late distinguished legislators who represented his State in both Houses of Congress.

In 1901, he introduced the first reclamation act while a Member of the House of Representatives. After working against great odds, he saw the act passed one year later. When President Theodore Roosevelt signed it into law, he paid Senator Newlands the highest compliments for his foresight and understanding.

In 1903 the country's first reclamation project was authorized by the Congress in the State of Nevada. Work estimated to cost $8 million was started. It was in 1919 that this development was named the Newlands project in honor of Senator Newlands.

It would be redundant for me to recount what reclamation has meant to the Nation, and to the West particularly, in developing natural resources, bringing under cultivation thousands of acres of farmlands, harnessing waterpower, and helping to build industrial empires.

The country's first reclamation development in Nevada was twofold in purpose. It placed under cultivation some 20,000 acres of arid Nevada land and provided hydroelectric power to the Truckee-Carson River Basins. Today, that project serves 53,458 acres.

This project, the subject of my bill, includes storage facilities at Lake Tahoe on the Nevada-California border. Boca reservoir on the Truckee River and the Lahontan Reservoir on the main Carson River. There are many miles of canals, a powerplant at Lahontan Dam, distribution and drainage systems, pipelines, power-distribution lines, telephones and telephone lines, and some buildings, in addition to the lands involved.

As I said before, the Newlands project was a wonderful and successful experiment. It charted a great future for reclamation development across the United States. However, the Nevada farmers who made it successful paid in dollars

and cents for the trial-and-error experience it gave the Bureau of Reclamation in pioneering this field from which the entire Nation has benefited. Now those farmers believe they have earned the right to own and control the project which their labors have purchased.

In 1926 the Truckee-Carson Irrigation District contracted with the Federal Government to become the operating agency of the Newlands project and a repayment program was begun. Today there is an outstanding indebtedness of less than $500,000 owing to the Federal Government.

The date is not far distant when these farmers will have repaid every dollar the Federal Government invested in this development. Therefore, I believe they should be given full rights of ownership. Such title reversion would be to the best interests of the Federal Government by divesting it of responsibility for damage and repair.

Certainly, this bill represents democracy at work where the farmers through their initiative and years of struggle will have repaid construction and interest costs to a Federal Government which saw the desirability of great reclamation development and used Nevada and its farmers for that experiment.

Consistency would be served with Nevada as the site of the first reclamation project becoming the site of the first such project the Federal Government would return to the ownership of the people it was designed to serve. And beyond that, the idea of separating private enterprise from governmental investment would be agreeably satisfied.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bill (S. 2217) to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The bill (S. 2218) to provide for the conveyance, upon completion of the payment of construction charges, of the Newlands project, including lands and works, to the Truckee-Carson Irrigation District, Fallon, Nev., introduced by Mr. BIBLE (for himself and Mr. MALONE), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

SUNDRY BILLS FOR CONSIDERATION BY THE JUDICIARY COMMITTEE

Mr. KILGORE. Mr. President, I introduce, for appropriate reference, a bill which has been submitted by the Acting Secretary of Agriculture to relieve disbursing officers, certifying officers, and payees with respect to certain payments made in contravention of appropriation restrictions regarding citizenship status; a bill submitted by the Assistant Secretary of the Interior to amend title 18, entitled "Crimes and criminal procedure," of the United States Code, to provide a criminal sanction for the embezzlement or theft of the property of Indian tribal organizations, a bill submitted by the director of administrative office of the United States courts concerning the record on review or enforcement of orders of administrative agencies by the courts of appeals; and a bill submitted by the Acting Postmaster General for the relief of certain rural carriers; a bill which has been submitted by the Secretary of the Air Force, entitled "To prohibit in any lawsuit or action for damages the use and admission as evidence of investigations by the military departments of aircraft accidents, conducted in the interest of air safety"; and a bill submitted by the Attorney General, entitled "To authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941."

I ask unanimous consent that there be printed in the RECORD to accompany the above bills the letters forwarded with the respective proposals by the Acting Secretary of Agriculture, the Assistant Secretary of the Interior, the Director of Administrative Office of the United States Courts, the Acting Postmaster General, the Secretary of the Air Force, and the letter and explanatory statement forwarded by the Attorney General.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, the letters accompanying the bills will be printed in the RECORD.

The bills, introduced by Mr. KILGORE, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 2221. A bill to relieve disbursing officers, certifying officers, and payees with respect to certain payments made in contravention of appropriation restrictions regarding citizenship status, and for other purposes.

The letter accompanying Senate bill 2221 is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 11, 1955.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft of a proposed bill which has for its purpose the relief of certain payees and disbursing and certifying officers, with respect to payments made in contravention of appropriation restrictions on the employment of noncitizens of the United States.

Prior to November 1, 1951, the prohibition contained in the various appropriation acts with respect to the employment of aliens had an exception for nationals of countries allied with the United States in the prosecution of the war. Under that exception, an agency of this Department had employed as veterinary poultry inspectors 6 nationals of Poland and 1 of Lithuania, both of which countries had been allied with the United States in the prosecution of the war. These seven men had all been admitted to the United States under the Displaced Persons Act. Their employment as veterinarians was of special value to the Department because there was an acute shortage of citizen veterinarians willing to accept the inspector positions at less remuneration than they might expect to receive in private practice.

As of November 1, 1951, the wording of the exception cited above was changed to read, "nationals of countries allied with the United States in the current defense effort." The change was made in section 1302 of the Supplemental Appropriation Act of 1952, Public Law 253, 82d Congress, 65 Stat. 736, 755. That section, in addition to providing the restrictions on employment of noncitizens and certain exceptions to those restrictions, provided that any compensation paid to employees contrary to its provisions "shall be recoverable in action by the Federal Government."

As a result of the change in law, the employment of the seven inspectors beyond October 31, 1951, was improper. However, through oversight the employing department agency permitted the employees to work for periods of 2 to 3 months after that date before they were separated. The amount involved in paid or earned compensation totals approximately $9,500. The men themselves were in no way at fault in having continued in employment contrary to the changed provision of law. Each of them rendered the service after October 31, 1951, in good faith and with no idea that any question would be raised as to the validity of salary payments due them for such services.

Section 1302, Public Law 253, 82d Congress, also contained an exemption with respect to "a person in the service of the United States on the date of enactment of this act, who being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date." In several of the cases, the employees had filed an application for the necessary forms to use in declaring their intention to become citizens. However, for varying reasons, it was not possible for them to file the actual declaration of intent prior to November 1, 1951. In some instances, due to constant travel, the necessary form was not received by the employee in time to be filed; in others, the employees did not receive the declaration of intent form from the Immigration Office until after November 1, 1951. The Comptroller General has ruled that the mere filing of application for the "Declaration of Intent" form is not sufficient.

The salaries of 5 of the men were paid in full, but in 2 of these 5 cases reimbursement of certain travel expenses due the employee was withheld as a partial offset against the improper salary payments. Two employees received only part of their salaries for the period. In these two cases, final salary payments, lump sum leave payments, and travel expense reimbursement were withheld. The withholding of payments due has worked a distinct hardship on four of the employees. Also any attempt to recover salary payments which were made would be a severe blow to all seven of the men.

The Government has received full value for the services rendered by the seven men under the conditions related. Therefore, it would appear that payment of compensation to them should be legalized and that disbursing and certifying officers by whom these payments were made or certified should be relieved of liability where the payments were otherwise legal and correct. Section 1 of the proposed bill authorizes and directs the Comptroller General of the United States to allow credit in the accounts of disbursing officers and to relieve certifying officers of liability for payments for services rendered by such aliens. Under section 2 where credit is allowed as provided for in section 1, the alien receiving the payment would be relieved of liability for refunding the same, and refunds made could be repaid to the alien. Section 3 would permit payment to the former employees of amounts for which the certifying officers were not held liable, but which were withheld from the former employee or which constitute compensation for services rendered which was not paid to the employees.

This matter was brought to the attention of Congress in 1953 and a bill (S. 2018), simi-

lar to the attached proposed bill, was introduced. Since no final action was taken on S. 2018, we are recommending that consideration now be given to the enactment of the proposed bill.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to the Congress for its consideration.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

S. 2222. A bill to amend title 18, entitled "Crimes and Criminal Procedure," of the United States Code, to provide a criminal sanction for the embezzlement or theft of the property of Indian tribal organizations.

The letter accompanying Senate bill 2222 is as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 13, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill to amend title 18, entitled "Crimes and Criminal Procedure," of the United States Code, to provide a criminal sanction for the embezzlement or theft of the property of Indian tribal organizations.

We recommend that this proposed bill be referred to the appropriate committee for consideration, and we further recommend that it be enacted.

The principal objective of the proposed bill is to protect Indian tribal organizations, especially those created pursuant to the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), from the actions of dishonest or corrupt tribal officials. It provides for the punishment of persons holding positions of trust in tribal organizations who abuse their responsibilities by diverting tribal funds to their own pockets or those of their friends. It also provides for the punishment of other forms of theft or embezzlement from Indian tribal organizations. The terms of the bill are modeled upon such existing criminal laws as sections 641, 656, and 660 of title 18 of the United States Code.

The Indian Reorganization Act deals with a wide variety of subjects, including land, credit, education, and Indian employment. One of its chief designs was the development of Indian self-government. At the present time there are 195 tribes, bands, or identifiable groups under the act. Ninety-six of these groups have adopted constitutions and bylaws, and 73 of them have been granted charters permitting them to operate as chartered business organizations. In addition, there are some 77 tribes, bands, or identifiable groups which elected not to come under the Indian Reorganization Act but which are carrying on tribal affairs in some degree and are to some degree self-governing. A number of other Indian groups are organized under special laws pertaining to Oklahoma and Alaska.

During the years since the first group was organized under the Indian Reorganization Act, situations have been encountered from time to time that involved the misuse or misappropriation of tribal funds, the lack of adequate accounting records, or other improper actions by tribal officials. Occasionally, the same official has been guilty of repeated breaches of trust. Yet, in most instances, the creation of fiduciary positions has not been paralleled by corresponding safeguards in the law-and-order codes under which the tribes operate. Even in those instances where criminal sanctions are provided in the tribal codes, the tribal members have been extremely reluctant to bring actions in the tribal courts against apparently faithless tribal officials. The only practical recourse available to tribal members, therefore, has been to vote the malefactors out of office in the tribal elections.

Under authority of the Indian Reorganization Act, many Indian groups are qualified to obtain control of substantial sums of money derived from oil and gas leases, timber sales, and the like; to hold these funds in the tribal treasuries; and to expend them subject only to the limitations contained in the tribal constitutions and charters. In addition, under annual appropriation acts for the Department of the Interior and various special acts of Congress, tribal funds in the Treasury of the United States may be advanced to Indian tribes for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary of the Interior. In these circumstances, it is important that adequate penal safeguards be established to protect the tribal members from actions of dishonest or corrupt tribal officials and other types of peculation. This, the proposed bill would do.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed bill to the Congress.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

S. 2223. A bill to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the courts of appeals and the review or enforcement of such orders on the original papers and to make uniform the law relating to the record on review or enforcement of such orders and for other purposes.

The letter accompanying Senate bill 2223 is as follows:

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, D. C., May 23, 1955.

Hon. RICHARD M. NIXON,
Vice President of the United States,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: On behalf of the Judicial Conference of the United States, I transmit herewith for the consideration of the Congress a draft of a bill concerning the record on review or enforcement of orders of administrative agencies by the courts of appeals.

The bill enclosed was recommended by the Judicial Conference at a meeting held March 24 and 25, 1955. The action of the Judicial Conference was based upon a study and reports extending over about a year and a half by a committee of the conference on revision of the laws, consisting of Circuit Judge Albert B. Maris of the third circuit, chairman; and District Judges Clarence G. Galston of the eastern district of New York, and William F. Smith of the district of New Jersey. At the meeting of the Judicial Conference in September 1953, Judge Maris submitted for the committee on interim report to the effect summarized in the report of the meeting of the Judicial Conference as follows:

"The committee believes that it would be desirable to permit administrative agencies whose orders are to be reviewed by a court of appeals to send to the court an abbreviated record where the whole record is not necessary and to authorize the use of the original papers in lieu of a transcript, the papers to be returned to the agency upon the completion of the review proceedings. This would require an amendment of existing statutes."

The committee submitted to the Conference a tentative draft of a bill and recommended that it be submitted to the circuit judges and the agencies concerned for their consideration and suggestions. The Conference authorized the committee to include in its tentative draft provisions covering petitions for enforcement of administrative agency orders as well as proceedings to review such orders, and with this amendment it authorized the proposed bill to be circulated among the judges of the courts of appeals and the agencies concerned (pp. 25–26 of the September 1953 report of the Judicial Conference).

At the meeting of the Judicial Conference of the United States in April 1954, the Committee on Revision of the Laws reported that it had submitted to the judges of the courts of appeals and the agencies concerned the preliminary draft of a bill to authorize an abbreviated record on the review of agency orders and that a large number of constructive suggestions had been received, many of which were embodied in the revised draft of bill. The report explained the principal features of the bill, including changes made in the revision. The Judicial Conference approved the revised draft of bill for recommendation to the Congress (pp. 17–18 of the April 1954 report of the Judicial Conference).

At the meeting of the Judicial Conference held in March of 1955, the committee reported that conferences with some of the administrative agencies and developments subsequent to the meeting of the Judicial Conference in April 1954 indicated a need for some further changes in the bill. The committee therefore submitted a form of bill further revised and recommended that the Judicial Conference give its approval. The Conference did so and it is that revised bill which is herewith submitted for the consideration of the Congress.

The bill would add to chapter 133 of title 28 of the United States Code dealing with miscellaneous provisions concerning judicial review, a new section, 2112, dealing with the record on review and enforcement by the courts of appeals of orders of administrative agencies. Among the principal provisions of the new section are the following:

Power would be given to the several courts of appeals to adopt, with the approval of the Judicial Conference of the United States, rules governing the time, manner of filing, and the contents of the record in all proceedings instituted in the courts of appeals to review or enforce orders of administrative agencies in which the applicable statute does not specifically prescribe these matters. It would provide that if proceedings have been instituted in two or more courts of appeals with respect to the same order, the agency concerned shall file the record in that one of those courts "in which in its judgment the proceedings may be carried on with the greatest convenience to all the parties involved."

The bill would provide that the record to be filed in the court of appeals should consist of the order in question, the findings or report upon which it was based, and pleadings, evidence, and proceedings before the agency concerned, or such portions thereof as the rules of the court of appeals might require to be included, the agency or any party to the case might consistently with the rules of the court designate, or the court upon motion of a party, or, after a prehearing conference, upon its own motion might by order designate to be included. It might be provided in an appropriate case by stipulation or order that no record need be filed in the court of appeals. If, however, the correctness of a finding of fact was questioned, all of the evidence should be included except such as by stipulation filed with the agency or in the court the parties concerned might agree to omit as immaterial to the questioned finding. The agency involved might at its option, if the rules of the court of appeals in which the proceeding was pending did not require the printing of the entire record, file in the court the entire record without abbreviation.

The bill would provide that the agency concerned may transmit to the court of appeals the original papers comprising the whole or any part of the record or any supplemental record, otherwise true copies certified by an authorized officer of the agency. Any original papers thus transmitted to the court of appeals are to be returned to the agency upon the final determination of the review or enforcement proceeding. Pending the final determination, any such papers, under the bill, may be returned by the court temporarily to the custody of the agency concerned if needed for the transaction of the public business. Certified copies of papers included may be returned to the agency upon the final determination of the proceedings in the court of appeals.

Following these general provisions in the bill are a considerable number of sections amending provisions of present statutes relating to the judicial review or enforcement of orders of administrative agencies in order to bring them into harmony with the provisions of the proposed section 2112. Under the proposed bill, the court of appeals would acquire jurisdiction of the proceeding upon the filing of the petition for review, although the record may not be filed until later. This is in accordance with the pattern of the latest congressional enactment on the subject, the act of December 29, 1950, relating to the review of orders of the Federal Communications Commission, and takes it out of the power of administrative agencies which they have under some present provisions to retard the gaining of full jurisdiction by the court of appeals by delaying the filing of the record. Various other perfecting amendments of existing statutes are included in the bill.

It is believed that the bill, if enacted, will simplify the procedure for the review or enforcement by the courts of appeals of orders of administrative agencies, will be conducive to economy and expedition in the proceedings and in their determination, and will, therefore, be in the interest of the litigants and the public. It is accordingly hoped that the bill may be favorably considered by the Congress and in due course be enacted.

Sincerely yours,

HENRY P. CHANDLER.

S. 2224. A bill for the relief of certain rural carriers.

The letter accompanying Senate bill 2224 is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., May 26, 1955.

Hon. RICHARD M. NIXON,
President of the United States Senate.

DEAR MR. PRESIDENT: There is transmitted herewith, for consideration by the Congress, proposed legislation for the relief of certain rural carriers.

As a result of the application by this Department of the savings provisions in section 5 of the so-called postal employees longevity act of May 3, 1950 (64 Stat. 101), to the rural carriers serving heavily patronized routes, a large number of such rural carriers have been paid more than allowed under the limitation imposed by section 17 (d) of the act of July 6, 1945, as amended (sec. 867 (d) of title 39, United States Code). The enactment of this legislative proposal is necessary to relieve the carriers, many of whom are retired or deceased, from liability of making refund of the excess compensation paid them, through no fault on their part, during the period from November 1, 1949, through February 16, 1955.

As originally enacted, section 17 (d) of the act of July 6, 1945 (59 Stat. 455), provided that a rural carrier serving a heavily patronized route not in excess of 45 miles in length could be paid a heavy duty allowance, in addition to his regular compensation, provided that the total of the regular compensation and heavy duty allowance did not exceed $3,000. This limitation also applied to rural carriers on heavily patronized routes who had not reached their highest salary grade. Through amendments over the years, the $3,000 amount has been raised to $4,370.

The three meritorious grades provided in the act of July 6, 1945, were struck from the act by the Postal Employees Longevity Act of May 3, 1950 (64 Stat. 101), which made provision for longevity grades A, B, and C, based on years of service. Section 5 of that act provided, however, that: "None of the provisions of this act shall be construed as to reduce the grade or compensation of any employee on the rolls on the date of the enactment of this act."

This Department computed the heavy duty allowance for the rural carriers on heavily patronized routes on the basic salary exclusive of longevity pay. Inclusion of longevity pay in the computation would have necessitated a "reduction in compensation" to bring the heavy duty allowance, regular compensation, and longevity payments within the limitation of section 17 (d) of the Act of July 6, 1945.

This matter was considered by the Comptroller General in his decisions B–116833 of November 3, 1953, B–118545 of March 29, 1954, B–118545 of December 3, 1954, and B–116833 of February 1, 1955. He has concluded that this Department has been overpaying the carriers on the heavily patronized routes since November 1, 1949, in that longevity pay should have been combined in the computation. He also held that collections must be made from the carriers to recover the overpayments. The Comptroller General stated, however, that collections from the carriers may be held in abeyance pending action by Congress on this legislative proposal.

Adjustments have been made in the rural carriers' compensation since January 1, 1954, based on the decisions of the Comptroller General as received in the Department. Final adjustment of all such carriers' compensation has been made effective February 16, 1955. From that date on, the compensation and heavy-duty allowance of all carriers on the heavily patronized routes will be cut back to conform to the limitation in section 16 (d) of the act of July 6, 1945, as amended. It is impracticable, however, to make the readjustments retroactive to November 1, 1949, as directed by the Comptroller General. Many of the carriers who have been overpaid subsequent to that date have been separated because of death, resignation, retirement, or removal for other reasons. Such readjustment also would seem inequitable in view of the fact that the employees who were allegedly overpaid received the salaries in good faith.

From the information presently before this Department there could be between 2,000 and 3,000 carriers involved. It is not known what is the total amount of the overpayments. It is estimated, however, that the amount will not be in excess of $300,000.

In view of the fact that the alleged overpayments were made, in good faith, as a result of the application of the laws by the Post Office Department, and in view of the further fact that the collection of such overpayments back to the date of November 1, 1949, would in many cases, result in untold hardship to the carriers involved, as well as to their families, it is the recommendation of this Department that the carriers be relieved of making any refund of such overpayments.

It is believed that the legislation submitted herewith will accomplish the purpose desired, and its early enactment is urged.

The Bureau of the Budget has advised that there would be no objection to the submission of this legislative proposal to Congress.

Sincerely yours,

C. R. HOOK, Jr.,
Acting Postmaster General.

S. 2225. A bill to prohibit in any lawsuit or action for damages the use and admission as evidence of investigations by the military departments of aircraft accidents conducted in the interest of air safety.

The letter accompanying Senate bill 2225 is as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, June 4, 1955.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to prohibit in any lawsuit or action for damages the use and admission as evidence of investigations by the military departments of aircraft accidents conducted in the interest of air safety.

This proposal is a part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that there would be no objection to its transmittal to the Congress for consideration. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this legislative proposal is clearly set forth in its title.

In the interest of flying safety the Secretaries of the military departments have determined that it is necessary to conduct investigations of all aircraft accidents involving military aircraft. The regulations under which these investigations are conducted provide that the purpose of these investigations is to determine, in the interest of flying safety, all factors having a connection with the accident and to prevent a recurrence. It is specifically provided that the investigations are not designed to obtain evidence for disciplinary action of any sort or to determine pecuniary liability or line-of-duty status.

In these investigations every effort is made to persuade the individuals involved to make a full and accurate disclosure of all knowledge relevant to the inquiry which they may possess, even though disclosure of some of the information may be embarrassing to the individuals and involve self-incrimination. Such full and free disclosure is essential to the success of these investigations. In order to achieve this desired freedom of disclosure it is deemed essential that assurance be given that the statements made will not and cannot later be used in civil court actions.

Enactment of this legislative proposal would preserve and insure the integrity of a record and report designed solely and exclusively for the purpose of furthering the interest of safety in air navigation.

Exclusion of a record or report of such an investigation from introduction or admissibility as evidence in a civil lawsuit would not preclude the admission of testimony elicited for the purposes of the civil lawsuit from the same witnesses who testified for the purpose of the air safety investigation. Nor would this legislative proposal prevent the calling up of experts and others whose testimony might be material to the adjudication of a civil suit even though they might have given testimony or offered opinions which form a part of a record or report of a military department aircraft accident investigation.

It is obvious that an individual will be extremely reluctant to admit his own negligence if he fears that his statements may later be used to his disadvantage. In addition certain other information pertinent to these investigations must be given in confidence and can be obtained only on a pledge not to disclose its source. For example, the vast knowledge of the technical representatives of the manufacturers whose products are involved in aircraft accidents is fully utilized by the Air Force in these investi-

gations. These representatives could hardly be expected to find their companies at fault if their reports could later be made public to the prejudice of their employers and might even be used in actions against those employers. Furthermore, knowledge that the reports were subject to use in litigation might make the investigators themselves tend to soften their reports and hesitate to assess blame.

In some instances military aircraft accidents result in civil suits for damages under the Tort Claims Act against the United States. The plaintiffs in such actions usually seek through discovery under Rule 34 of the Federal Rules of Civil Procedures to obtain the aircraft accident report made on the incident. If the United States, as a defendant, claims privilege and fails or refuses to comply with the order of the court to produce the report, the court may, if it does not recognize the privilege, preclude the United States from introducing any evidence with respect to the alleged negligence under Rule 37 of the Federal Rules of Civil Procedures. Unless these reports are made inadmissible, the United States will often find itself in a dilemma, thus necessitating either breaking faith with those who have supplied the information contained in the report or risk the possibility of an adverse judgment without a trial on the merits. The law is settled that aircraft accident investigation reports involving military secrets are privileged reports, the disclosure of which in open court would jeopardize the national security. There is some doubt, however, as to whether the courts will recognize a claim of privilege in the case of accident reports when State secrets are not involved.

The legislation now being proposed would clarify the situation by making all military department aircraft accident reports resulting from investigations conducted in the interest of air safety not subject to discovery under Rule 34, Federal Rules of Civil Procedure, and inadmissible in civil suits for damages. By so doing it would promote greatly the effective and successful investigation of aircraft accidents. The Congress, as early as 1910, provided for the shielding of accident investigation reports in the railroad field against use in litigation. (See 45 U. S. C. 41.) Similar action has been taken in the case of Civil Aeronautics Board reports. (See 52 Stat. 1013, as amended, 49 U. S. C. 581.) It is imperative that the flying safety program includes the most unhampered accident investigations possible.

The Department of Defense firmly believes that enactment of this legislation will further the safety of air navigation without undue prejudice to the meritorious claims of parties suffering injury as the result of aircraft accident.

COST AND BUDGET DATA

This proposal would cause no apparent increase in budgetary requirements for the Department of Defense.

Sincerely yours,

H. E. TALBOTT.

S. 2226. A bill to authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941.

The letter accompanying Senate bill 2226 is as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 7, 1955.

The VICE PRESIDENT,
United States Senate, Washington, D. C.

DEAR MR. VICE PRESIDENT: There is attached for your consideration and appropriate action a legislative proposal "To authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941." An explanation of the proposed legislation accompanies the draft.

In reviewing the functions of the Department of Justice some time ago I found that through the Office of Alien Property the Department was still administering assets seized by the United States under the Trading With the Enemy Act during World War I. I thereupon directed that special efforts be made to terminate the World War I program.

In complying with my directive the Director of the Office of Alien Property encountered a great variety of problems owing to the complexity of legislation affecting World War I alien property and the complexity of pending claims to certain of the remaining property. In addition, the great length of time which has passed since the seizure of the property, and the intervention of World War II, raised difficulties in obtaining evidence of ownership in connection with claims, and it was necessary in many instances to enlist the aid of foreign Embassies and to make investigations abroad in order to gather such evidence.

As a result of the effort expended during the past 2 years the World War I program has reached the point where further progress cannot be made without the enactment of additional legislation.

Accordingly, early introduction and enactment of the enclosed legislative proposal is considered most desirable.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

HERBERT BROWNELL, Jr.,
Attorney General.

EXPLANATORY STATEMENT ACCOMPANYING LEGISLATIVE PROPOSAL TO AUTHORIZE THE ATTORNEY GENERAL TO DISPOSE OF THE REMAINING ASSETS SEIZED UNDER THE TRADING WITH THE ENEMY ACT PRIOR TO DECEMBER 18, 1941

The attached legislative proposal is designed to accomplish the termination of the administration by the Department of Justice through its Office of Alien Property of assets derived from the World War I seizures of enemy property and interests under the Trading With the Enemy Act. These assets, which cannot be disposed of under present law, consist of approximately $793,000 in cash, a few items of small or doubtful value which cannot now be liquidated, and certain Treasury certificates held by the Office of Alien Property. Other assets derived from World War I seizures are also in the custody of the Office of Alien Property at the present time but will shortly be disposed of under existing law.

A summary of a portion of the history of the administration of property seized during World War I under the Trading With the Enemy Act, as amended, will afford a clearer understanding of the provisions of the draft legislation, a section-by-section analysis of which is herein contained.

The Trading With the Enemy Act, which was passed on October 6, 1917, authorized the seizure of assets in the United States owned by an "enemy or ally or enemy" as defined in section 2 of the act. Section 9 provided for administrative and judicial returns of seized assets to former owners who established that they were not enemies or allies of enemies. The Winslow Act of March 4, 1923 (42 Stat. 1511) authorized the return of seized property up to $10,000 in value to former enemy owners of such property.

In 1922 the United States and Germany entered into an agreement (42 Stat. 2200) which created the Mixed Claims Commission, United States and Germany, for the purpose of adjudicating claims of the United States and its nationals against Germany for certain loss or damage arising out of World War I. The agreement provided no means for the satisfaction of awards made by the Mixed Claims Commission. This lack was remedied by the Settlement of War Claims Act of 1928 (45 Stat. 254), which also provided for the return of seized German property in addition to that returned under the Winslow Act and for the adjudication and payment by a War Claims arbiter of certain claims of German nationals against the United States. More particularly, the Settlement of War Claims Act of 1928 amended the Trading With the Enemy Act to authorize the immediate return of 80 percent of the property still held by the Alien Property Custodian after the payment of $10,000 under the Winslow Act. However, return of 80 percent of his property to a claimant was made contingent upon his filing a written consent to the postponement of the return of the remaining 20 percent.

The Settlement of War Claims Act created an account in the Treasury Department designated as the German Special Deposit Account which was composed of:

1. The 20 percent of German property temporarily withheld from return by the Alien Property Custodian;

2. Certain other funds eventually returnable to German nationals consisting of their share of unallocated interest earned from the lump-sum investment of seized assets by the Secretary of the Treasury;

3. Amounts appropriated by Congress in connection with the payment of awards to German nationals by the War Claims Arbiter; and

4. All amounts received by the United States, whether before or after the enactment of the act, for application in payment of awards of the Mixed Claims Commission.

The source of item 4 at the date of the passage of the act was the annual reparations payment received by the United States from Germany under the Dawes plan.

Pursuant to a directive in the act, the Treasury issued to the Alien Property Custodian or to the Attorney General, as his successor, participating certificates bearing interest at the rate of 5 percent for withheld German property deposited in the German special deposit account and non-interest-bearing participating certificates for the amounts of unallocated interest deposited in the account. The total face value of the 2 types of certificates is $57,419,820.73.

The Settlement of War Claims Act also directed the Treasury to make payments from the German special deposit account in discharge of certain obligations in the order of priority specified as follows:

1. Administrative expenses.

2, 3, 4, and 5. Installments of awards entered on behalf of Americans by the Mixed Claims Commission, up to a maximum of 80 percent.

6 and 7. Awards to Germans by the War Claims Arbiter up to a maximum of 50 percent.

8. Five percent interest on the participating certificates held by the Alien Property Custodian by virtue of his transfers of the 20 percent of German property temporarily withheld from return.

9. Interest on unpaid amounts of awards of the Mixed Claims Commission and the War Claims Arbiter.

10. (a) Repayment to the Alien Property Custodian of the 20 percent withheld German property evidenced by the participating certificates.

(b) Payment of balances of awards of the War Claims Arbiter.

(c) Payment of balances of awards of the Mixed Claims Commission.

11. Repayment to the Alien Property Custodian of the amount of unallocated interest returnable to Germans evidenced by the participating certificates.

12. Payment of the amounts of awards of the Mixed Claims Commission to the United States Government for its own account.

13. Payment into the Treasury of any remaining amounts.

Thus, the Settlement of War Claims Act was intended to dispose of the war claims of the United States, its nationals and German nationals and to effect an immediate 80-percent and ultimate 100-percent return of German property seized under the Trading With the Enemy Act. As it developed, however, the funds originally provided in the act for deposit in the German Special Deposit Account were insufficient to satisfy the above listed obligations. As a result, the United States and Germany entered into an agreement known as the Debt Funding Agreement of 1930 (46 Stat. 500). By its terms, the United States, in lieu of payments received under the Dawes plan, accepted Germany's obligation to make 103 semiannual payments in dollars, equivalent to 40,800,000 reichsmarks each and accepted 103 German Government bonds as evidence of the obligation. It was intended that as the bonds were redeemed by Germany, the proceeds were to be deposited in the German Special Deposit Account and applied on the obligations payable therefrom. In this way sufficient funds would be available over the years to satisfy all the obligations. However, Germany made only three payments and defaulted in 1931.

By the Harrison Resolution of June 27, 1934 (48 Stat. 1267) Congress directed that so long as Germany was in arrears under the Debt Funding Agreement of 1930, all transfers of money or other property under the Trading With the Enemy Act and Settlement of War Claims Act should be postponed except transfers for the payment of awards of the Mixed Claims Commission and transfers to such classes of persons as the President in his sole discretion might permit. After passage of the Harrison Resolution, Executive orders were issued removing the restrictions as to all transfers except those to German nationals.

On account of Germany's default under the Debt Funding Agreement of 1930, only the first seven of the above-listed priorities had been paid by August 1947. In other words, the fund deposited in the German Special Deposit Account had been insufficient to satisfy the awards of the Mixed Claims Commission and to permit any payments on the participating certificates issued by the Treasury, which by 1947 had come into the possession of the Office of Alien Property as successor to the Office of Alien Property Custodian. Public Law 375, 80th Congress, approved August 6, 1947 (61 Stat. 789), directed that the proceeds of liquidation of the assets subject to the prohibition of the Harrison Resolution be deposited in the German Special Deposit Account. In addition, Public Law 375 rearranged the order of priority of the unpaid obligations so that all of the obligations owing to Americans and to the United States Government would be satisfied prior to the payment of any amounts on the participating certificates held by the Office of Alien Property or on awards to Germans by the War Claims Arbiter. In this way, the assets subject to the prohibition of the Harrison Resolution were made available to the American holders of Mixed Claims Commission awards. At the same time, the possibility of redemption of the participating certificates was made more remote.

The outbreak of World War II in 1939 resulted in the virtual cessation of the return of assets not prohibited under the Harrison resolution. With the end of the war the program of returning such assets was resumed and has been carried forward as far as possible for the time being. Public Law 375, 80th Congress, made possible the disposition of virtually all the assets subject to the prohibition of the Harrison Resolution.

As a result, the assets remaining to be disposed of by the proposed bill consist of (1) non-German funds which are not claimed by anyone or, for reasons explained below, cannot be paid to claimants, (2) German-owned items which cannot be transferred to the German special deposit account under Public Law 375 because they cannot presently be reduced to cash, and (3) the participating certificates issued by the Treasury and held by this office. Set forth below is a section analysis of the draft legislation which describes these assets more particularly and explains the proposed treatment to be accorded them.

Section 1 (a) is concerned with the following four accounts:

1. Trust No. 47667, consolidated unclaimed balances account, which contained $188,837.09, as of January 31, 1955. This account is made up for the most part of non-German funds for which no claims were filed. The balance of the account consists of non-German funds for which claims were once filed but subsequently abandoned and of small supplementary sums payable on once-paid non-German claims for which the claimants have never come forward.

2. Trust No. 47669, unpayable balances account, which contained $176,969.21, as of January 31, 1955. This account consists in part of non-German funds claimed by persons whose whereabouts are unknown because of death or change of residence. The remainder of the account consists of a number of small sums ranging from 50 cents to $15 allocated to non-German claimants upon final audit. These sums were deemed either by the claimant or by the Government to be too small to justify the expense of establishing a basis for payment.

3. Government earnings: Interest account which contains $176,343.64. This sum is the balance of certain interest amounting to more than $34 million earned as a result of the Treasury's investment of the cash proceeds of seized assets under section 12 of the Trading With the Enemy Act. The Winslow Act of 1923 provided that future earnings of seized assets should be paid to the former owners. The Settlement of War Claims Act of 1928 provided that the interest earnings which had accrued prior to the Winslow Act plus subsequent interests on such accrued earnings should be credited to the accounts of former owners in proportion to the amounts of cash derived from their seized assets. That act also directed that actual distribution of such credited sums be made to non-Germans immediately. Eventually it became necessary to discontinue these distributions because of the cessation of interest earnings. The amount of $176,343.64 is the remainder of the interest earnings on hand when distributions were halted. These funds were not distributed because it would have been impracticable to attempt to ascertain the share of each non-German claimant. Further, any sums which might have been established would have been too small to justify the expense of distribution.

4. Undistributed income: Interest reserve, which contains $2,160.94. The allocation of current earnings after the passage of the Winslow Act was made semiannually and involved a great number of calculations. A balance of $2,500 was reserved at the time of each allocation to provide for the correction of any errors which might be later discovered. The sum of $2,160.94 is the balance remaining after the last allocation.

Inasmuch as all the above-described funds are in effect derelict property and, as a practical matter, cannot be paid to proper claimants, section 1 (a) is drawn to transfer them to the Treasury for the benefit of the United States.

Section 1 (b) deals with a few items of German owned property which cannot be converted to cash and ths cannot be transferred to the German special deposit account under Public Law 375, 80th Congress. These items consist of three remainder interests in decedents' estates and of certain bonds issued by German municipalities now behind the Iron Curtain. Section 1 (b) provides that they shall be transferred to the Secretary of the Treasury who is to liquidate them, if possible, and credit the proceeds of liquidation to the German special deposit account. The Secretary of the Treasury is given the authority to destroy or abandon the bonds and remainder interests if he should ultimately determine them to have no value or to be worth less than the cost of liquidation.

Section 1 (c) is concerned with seized assets which were the property of a liquidated bank, the Austro-Hungarian Bank. All the seized assets have been returned for the benefit of certain governments except the sums of $87,294.12, $30,767.58, and $87,294.12, which are payable to the Governments of Czechoslovakia, Poland, and Rumania, respectively. Section 1 (c) would authorize the transfer of these sums to accounts in the Treasury to be blocked under Executive Order 8389, as amended. Blocking controls are exercised under this Executive order with respect to assets of Iron Curtain countries and their nationals which were located in the United States prior to its entry into World War II.

Section 1 (d) relates to the following accounts:

1. Trust No. 47675, Polish claimants, containing $14,030.39.

2. Trust No. 47677, Czech claimants, containing $20,733.06.

3. Trust No. 47687, Bulgarian, Hungarian, and Rumanian claimants, containing $10,563.08.

The funds in these accounts were claimed prior to World War II by nationals of the respective countries. Very little information has been received concerning any of the claimants since the end of the war and no payments have been made on their claim since these countries came under Communist control. Section 1 (d) would authorize the transfer of the funds in these accounts to accounts in the Treasury in the names of the various claimants. The accounts in the Treasury would be blocked under Executive Order 8389, as amended. The Secretary of the Treasury would be authorized to approve the claims at such time as proof could be made, subject, however, to any restrictions in existence pursuant to Executive Order 8389, as amended.

Section 1 (e) is concerned with the participating certificates which have been issued against the 20 percent withheld German property and the interest earnings payable to Germans. Under existing law any funds ultimately payable on the certificates by reason of future German redemption of bonds issued under the 1930 debt refunding agreement would be earmarked for German claimants. In this connection, it is pertinent to note an agreement ratified by the Senate on July 13, 1953, known as the Agreement between the United States and the Federal Republic of Germany Relating to Indebtedness of Germany for Awards Made by the Mixed Claims Commission, United States and Germany. By this agreement, the West German Government bound itself to pay to the United States a total of $97,500,000 in installments over the next 26 years, to be used in full discharge of Germany's obligations with respect to awards of the Mixed Claims Commission to private United States nationals. The German Government also agreed to issue new bonds to the United States as evidence of these obligations. The United States agreed that upon receipt of the newly issued bonds it would cancel and deliver those of the defaulted bonds it holds under the debt refunding agreement of 1930 which bear dates of maturity on or prior to March 31, 1943.

It is extremely unlikely that any provision will ever be made for the redemption of bonds issued under the debt-refunding agreement of 1930, in addition to those covered by the agreement described in the preceding paragraph. Furthermore, if such re-

demptions did occur, the present provisions of the Settlement of War Claims Act of 1928, as amended, would give the Mixed Claims Commission awards in favor of the United States Government a priority over payments to German claimants whose assets are represented by the participating certificates. In essence, therefore, the participating certificates held by this office are fictitious assets insofar as this office is concerned and are merely evidence of claims against their own Government insofar as Germans are concerned. It would appear to be unnecessary for this office to continue to hold these certificates. Accordingly section 1 (e) of the draft bill would authorize the Attorney General to transfer them to the Secretary of the Treasury pending their ultimate disposition.

Section 2 would bar any claims to the assets transferred to the Treasury except those placed in blocked accounts and would bar the imposition of liens and other encumbrances against the transferred assets.

Section 3 would repeal a provision of the Trading With the Enemy Act prohibiting disposition of the Austro-Hungarian Bank funds described above other than to the liquidators of the bank.

Section 4 contains a definition of the word "person," which is used in section 2 of the Trading With the Enemy Act, as amended.

AMENDMENT OF TRADING WITH THE ENEMY AND WAR CLAIMS ACTS

Mr. KILGORE. Mr. President, the Secretary of State has forwarded to the Congress a draft of a bill dealing with American war damage claims and the disposal of vested enemy assets, with a request that it be introduced. I intend to introduce the bill following these introductory remarks.

Immediately upon the outbreak of World II, the President of the United States realized the necessity of neutralizing the war potential of enemy assets in this country. Legislation was quickly introduced revitalizing the old Trading With the Eenemy Act of 1917. Quite properly I think, no attempt was made at that time to provide for the disposal of such assets upon termination of hostilities. The shape of things to come was then undefined.

So, with the conclusion of hostilities, this Nation found a problem on its hands. What should be done with the enemy assets? Should they be used as reparations or returned to the previous owners?

The executive and the legislative branches took steps to resolve this issue, but it nevertheless remains unresolved today. The question is still, What should be done with enemy assets vested during and after World War II.

Several proposals have been suggested. Most of them have dealt with enemy assets alone, without suggesting any disposition of the claims of Americans for war damages. Ultimately, both will have to be considered.

This whole subject has been the object of investigation, study, and consideration by the Committee on the Judiciary for the past 3 years. Late in the last Congress, the committee reported a bill providing for a general return of enemy assets to the previous owners. This year I joined with the Senator from Illinois [Mr. DIRKSEN] in laying that proposal again before the Senate and the Committee on the Judiciary. Since the introduction of that bill, however, the Department of State has engaged in talks with representatives of the German and Japanese Governments. These conferences included the disposition of both American War Damage claims and the return of enemy assets. Following the conclusion of these conferences, the State Department announced that the administration would forward draft legislation recommending return of enemy assets up to a value of $10,000 and including a provision creating a fund for the payment of American war damage claims. The proposed legislation now suggested by the Secretary of State embodies those general proposals. The detailed provisions of the bill are explained in a summary attached to the letter of reference signed by the Secretary of State.

While there are various thoughts upon this whole subject, the common desire seems to be to effect the conclusion of the work of the Office of Alien Property and accomplish its dissolution. Whether this should be accomplished by return of the vested assets, or their rapid liquidation into cash to be transferred to the United States Treasury, has been the issue. This proposed legislation contains elements of both of these viewpoints. Whether it will accomplish the agreed objective of concluding the work of the Office of Alien Property within a reasonable time is a matter which must be considered by the Congress.

Mr. President, I am introducing this bill in order that the Committee on the Judiciary may have before it another proposal to contribute to the solution of an extremely complicated problem. This proposed legislation, worked out initially by those most familiar with the intracacies involved, must be examined by the committee and the Congress in the light of overall objectives, international as well as domestic.

Mr. President, I introduce, for appropriate reference, a bill to amend the Trading With the Enemy Act of 1917, as amended, and the War Claims Act of 1948, as amended. I ask unanimous consent that there be printed in the record the letter forwarded with the proposal by the Secretary of State and the explanatory memorandum accompanying it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and explanatory memorandum will be printed in the RECORD.

The bill (S. 2227) to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended, introduced by Mr. KILGORE, was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter and memorandum presented by Mr. KILGORE are as follows:

JUNE 6, 1955.

The VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: I enclose a draft bill, "To amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended." The first part deals with the assets in the United States, title to which was vested in the Government under the Trading With the Enemy Act as a consequence of World War II. By far the greatest portion of these assets was owned by nationals of Germany and Japan. In general, this part of the draft bill provides for a limited return as a matter of grace of the vested assets, or of the proceeds of their liquidation, to such of the former owners or their successors in interest as are natural persons not in territory behind the Iron Curtain. The maximum value of property or proceeds returnable to any one individual is fixed at $10,000. In the few instances where property of charitable, religious, and educational organizations was vested, such property would be returned without regard to its value. Interests in trademarks would be returned to business enterprises as well as natural persons. All interests in copyrights would be divested in favor of the former owners or their successors in interest. Patent interests would not be returned.

The second part of the draft legislation deals with certain claims of United States nationals against Germany arising out of World War II. This part establishes a fund of $100 million to finance payments to such claimants. The compensation payable to any single claimant probably would not exceed $10,000.

I enclose also with the proposed bill a memorandum describing its provisions in detail and, where necessary, explaining the reasons for particular provisions. However, in order to afford a clear understanding of the general purposes of the draft legislation, it will be helpful to add here a brief statement of the events which have led to its recommendation.

By the first War Powers Act of December 18, 1941, Congress amended the Trading With the Enemy Act of 1917 to grant the President extensive powers to vest assets in the United States owned by foreign countries or their nationals. The 1917 act already contained provisions for the return of such of the property to be vested as might ultimately prove to be owned by nonenemies. However, neither the 1917 act nor the 1941 act provided for the disposition of World War II vested assets finally determined to be owned by enemy governments or their nationals. That matter was left open.

Early in 1942 the President created the Office of Alien Property Custodian as an independent agency and delegated to the Alien Property Custodian the power to vest property other than securities, cash and credits. In June 1945, the Custodian's vesting power was expanded to include German and Japanese-owned securities, cash and credits. As a result, substantially all the German and Japanese assets known to be in the United States as of December 7, 1941, were vested by the Custodian or by his successor, the Attorney General.

In January 1946 the United States and 17 allied nations other than the Soviet Union and Poland executed the Paris Reparation Agreement whereby they agreed upon the division of the limited German assets in kind available to them as reparation from Germany, including German external assets located within the respective signatory countries. The 18 allies agreed to hold or dispose of these external assets in such a way as to preclude their return to German ownership or control. This program was formulated in light of the allied experience after World War I when the attempt in effect to exact reparation from Germany's current production failed and led to Germany's default on its obligations. Moreover, it was clear after the end of World War II that the United States would have to provide major assistance to Germany to prevent disease and unrest. This country, therefore, favored measures which would limit Germany's World War II reparation to its external assets and other assets in kind, thus relieving Germany

of reparation payments from current production and avoiding the indirect financing of reparation by the United States. The Paris Reparation Agreement met this objective.

In 1946 Congress enacted section 32 of the Trading With the Enemy Act authorizing returns of vested property to persons having merely technical enemy status and to enemy nationals who were persecuted by their own governments. In the same year, Congress added section 34 to the act, providing for the payment of prevesting debt claims of Americans against enemy nationals whose property was vested.

By the War Claims Act of 1948 Congress added section 39 to the Trading With the Enemy Act, providing that German and Japanese assets not returnable under section 32 should, after the payment of debt claims therefrom, be retained by the United States without compensation to the former owners. In addition, the War Claims Act of 1948 gave priority to the use of the net proceeds of liquidation of this retained property for the payment of compensation to American civilian internees of the Japanese, to American servicemen captured by the forces of Germany, Japan, and other governments which failed to provide adequate subsistence as required by the Geneva Convention and to certain Philippine religious organizations which had rendered aid to American personnel. This act did not provide for the payment of war claims of Americans arising out of war-caused property damage but authorized a study of the problem. The Attorney General has advanced a total of $225 million from the proceeds of vested assets for purposes of the War Claims Act of 1948. Thus that act constituted a congressional disposition of the German and Japanese assets vested under the Trading With the Enemy Act during World War II. Furthermore, that act, in effect, gave confirmation to the reparation program set forth in the Paris Reparation Agreement by devoting German external assets to the satisfaction of certain American war claims.

The Japanese Peace Treaty of 1952 also followed the policy incorporated in the Paris Reparation Agreement with respect to enemy external assets. It provided that the Allied Powers should have the right to retain and liquidate Japanese property within their jurisdiction. In addition, the peace treaty provided that Japan should compensate nationals of the Allied Powers in Japanese currency for war damage to property located in Japan. In consequence of these and other provisions the United States and the other Allied Powers waived any additional war claims against Japan.

The Bonn Convention of 1952 for the settlement of matters arising out of the war and the occupation, between the Federal Republic of Germany and the United States, Britain, and France also affirmed the policy of the Paris Reparation Agreement. In that convention the Federal Republic of Germany agreed to compensate its own nationals for their loss of external assets by the vesting and other action of the Allied Powers. For their part, these countries gave the Federal Republic a commitment that they would not assert any claims for reparation against its current production. These provisions of the Bonn Convention were carried forward and approved in the Paris Protocol of 1954 which was approved by the Senate April 1, 1955, and came into force on May 5, 1955.

On July 17, 1954, Chancellor Adenauer wrote to the President to enlist his support for legislation which had been introduced in Congress for the general return of vested German assets. The Chancellor referred to the hardships suffered by many of the German individuals whose property had been vested. He mentioned old people, pensioners, and beneficiaries of insurance policies and inheritances in particular and urged that alleviation of these hardship cases would make a considerable contribution to furthering the friendship between the peoples of the United States and Germany. The President's reply of August 7, 1954, referred to the fact that the Allied Governments decided to look to German assets in their territories as a principal source for the payment of their claims against Germany. The President expressed sympathy with individuals in straitened circumstances in Germany for whom the operation of the vesting program in the United States had created particular hardship. He pointed out that American nationals who had suffered losses arising out of the war had received no compensation, also with resultant hardships in many cases. Finally, the President stated that although none of the bills then pending in Congress with regard to the return of vested assets had the approval of his administration, the problem was receiving earnest consideration and he hoped that a fair, equitable, and satisfactory solution could be achieved. The matter was also raised by Chancellor Adenauer with the President during the former's visit to Washington in October 1954, and conversations between representatives of the two Governments were agreed upon.

The Japanese Government also expressed a hope that the return of vested Japanese assets would be considered. The subject was discussed by Prime Minister Yoshida with the President on November 9, 1954.

As a result, the executive branch formulated the plan represented by the enclosed draft bill. Thereafter, representatives of the United States and the Federal Republic of Germany discussed the matter of vested German assets and the related problem of American war claims against Germany. Subsequently, similar discussions were held between representatives of the United States and Japan. During these discussions representatives of the Federal Republic of Germany and Japan were informed that the executive branch would recommend a limited return of vested assets to natural persons up to a maximum of $10,000 as a matter of grace for the purpose of alleviating the cases of hardship caused by vesting. The United States representatives pointed out that this action would result in a full return to approximately 90 percent of the former owners whose property had been vested and would achieve the equitable solution sought by the President. The United States representatives expressed the hope that in addition to relieving hardships of an appreciable number of German and Japanese people, this action would serve to make even more secure the ties between the United States and those countries. The representatives of the German Federal and Japanese Governments expressed the hope that the proposed return would subsequently be followed by a wider program. They were informed, however, that the administration did not envisage a broader return than was contained in the present recommendation.

It appears that the contemplated return program can be financed out of vested assets or their proceeds presently held by the Attorney General. After taking into account the payment of $225 million under the War Claims Act of 1948, returns and debt claims paid and payable under existing provisions of the Trading With the Enemy Act, and the payment of other authorized sums, it is estimated that there will remain a balance of $60 million for use in the proposed program. Its cost would be approximately $50 million for West German assets and $7.5 million for Japanese assets. If the funds in the possession of the Attorney General should prove to be inadequate or not readily available for the program, alternative supplemental means of financing are provided for in the bill.

The proposed bill would amend section 9 (a) of the Trading With the Enemy Act, as amended, to permit the sale of important vested properties despite the pendency of a suit for the return thereof and to permit the substitution of the proceeds of sale or just compensation, at the election of the claimant, as the subject of the suit. This provision is included in order to facilitate the expeditious termination of the alien-property program and in order to remove the Government from the operation of certain American business enterprises.

It will be noted that returns of vested assets would not be made to persons behind the Iron Curtain. It would be desirable for the program to be extended to such persons by supplemental legislation when conditions warrant.

The second part of the proposed bill provides for the compensation of American claimants against Germany for war damage to property. This part of the bill would set aside for this purpose a fund of $100 million out of sums payable by the Federal Republic in settlement of its indebtedness to the United States for postwar economic assistance. The Foreign Claims Settlement Commission estimates that there are 24,000 claims of American nationals outstanding against Germany for property damage during World War II, amounting to approximately $232,500,000. The Commission also estimates that a fund of $100 million would permit the satisfaction in full of all claims not over $10,000.

The proposed earmarking of $100 million of the repayments the Federal Republic of Germany is to make for postwar economic assistance rendered by the United States would be, in effect, a restoration of the $100 million of reparation from Germany used for other purposes under the War Claims Act of 1948. The total value of vested Japanese assets is approximately $60 million. Consequently, it is clear that of the $225 million deposited by the Attorney General in the Treasury under the War Claims Act of 1948, at least $165 million was derived from German assets. According to estimates of the Foreign Claims Settlement Commission, total payments under that act to satisfy American prisoners of war and other claims which arose in Europe will amount to approximately $60 million. As a result, about $100 million of the proceeds of German vested assets will have been used to satisfy claims attributable to countries other than Germany—i. e., in the main, Japan. If this sum had not been so used, it would have been available at the discretion of the Congress to pay American property-damage claimants against Germany. The creation of the $100-million fund would, therefore, not establish a precedent for the payment of American property-damage claims against foreign governments out of public moneys.

The draft legislation was prepared by the Department of State, the Department of Justice, the Treasury Department, and the Foreign Claims Settlement Commission. It is based upon a full and careful consideration of the problems involved and represents the considered position of the administration. The proposals should be considered as a whole. Prompt and favorable action would resolve a troublesome problem in the field of our foreign relations and would strengthen the ties of friendship with the Federal Republic of Germany and Japan.

I respectfully request that early consideration be given to the proposed legislation which is transmitted herewith. A similar communication is being sent to the Speaker of the House.

The Bureau of the Budget advises that the enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

JOHN FOSTER DULLES.

EXPLANATORY MEMORANDUM ON DRAFT BILL TO AMEND THE TRADING WITH THE ENEMY ACT, AS AMENDED, AND THE WAR CLAIMS ACT OF 1948, AS AMENDED

The first part of the proposed bill is designed to effect: (1) The return in general as a matter of grace of vested assets other than patent interests to natural persons not behind the Iron Curtain up to a limit of $10,000 and (2) the return of trademark and copyright interests to business enterprises as well as to natural persons without regard to the $10,000 limitation on value and, insofar as copyright interests are concerned, without regard to the limitation on return to persons behind the Iron Curtain. Property owned by charitable, educational, and religious organizations would also be returned without regard to the $10,000 limitation. It would treat several types of vested assets in a manner different from the treatment accorded the great bulk of such assets. The differences are deemed advisable by virtue of past policy, facility of administration of the contemplated return program and the desirability of terminating the World War II alien property program as quickly as possible. There is set forth below a resume of the manner in which the proposed bill would affect various categories of assets.

CATEGORY I. ASSETS OTHER THAN TRADEMARK, COPYRIGHT AND PATENT PROPERTIES AND PRINTS OF MOTION PICTURES

The great bulk of the vested assets falls within this category. The proposed bill would effect returns of these assets in an amount not exceeding $10,000 to natural persons. Natural persons would not be deemed to have had any ownership interest in assets vested from a business enterprise in which they have stock or some other beneficial interest. Consequently, no part of such assets would be returned to them. Persons who have made settlements or compromises of claims or suits with respect to vested property would be barred from obtaining any property in addition to that which they obtained in the settlement or compromise. Persons convicted of war crimes would be excluded from return.

The following property would be excluded from the return program by reason of the United States commitments to foreign governments:

1. Vested property located in the Philippine Islands and subject to transfer to the Republic of the Philippines under the Philippine Property Act of 1946 (22 U. S. C. 1381–86).

2. Certain securities of American issue looted in the Netherlands by Germany during its occupation of that country. Under an agreement with the Netherlands executed January 9, 1951, the United States undertook to return such securities to the Government of the Netherlands or its nationals.

3. Property which this Government is obligated to release or to receive or retain pursuant to existing agreements between the United States and certain World War II Allies relating to the resolution of conflicts between the Alien Property Custodians of the signatories. These agreements, entered into by the United States pursuant to Public Law 857, 81st Congress, provide for transfers of various categories of vested property by and to the United States.

Returns of property in category I would be effected under a claims program. Claims would have to be filed with the Attorney General within 1 year of the enactment of the proposed legislation. In order to facilitate the administration of the contemplated program new claims would be required of persons who have previously filed claims under section 9 or section 32 of the Trading With the Enemy Act. This requirement would obviate the necessity of reopening thousands of closed claims and examining additional thousands of claims now pending under those sections to obtain the new data required by the proposed legislation.

The proposed bill provides that in general a return of vested property in this category will be subject to a deduction of the amount of conservatory expenses incurred with respect to such property, a deduction to cover general administrative expenses, a reserve for any unpaid taxes with respect to the property and a reserve for any pending debt claims against the property under section 34 of the Trading With the Enemy Act. If the Attorney General should hold property vested from the prevesting owner in addition to the property returnable under the proposed bill, the amounts of expenses and reserves would be deducted, to the extent possible, from such additional property.

A person who has a pending claim under section 9 (a) or section 32 could claim return under the proposed bill only upon the filing of a written waiver renouncing his claim under section 9 (a) or section 32 to the amounts retained for expenses and reserves. As a practical matter this provision would reduce the amount of vested property returned under this bill to a section 9 (a) or section 32 claimant by the amount of the deduction for administrative expenses plus the amount of any debt claims. On the other hand, it would permit the claimant to receive a return under this bill without the necessity of establishing himself as a nonenemy under section 9 (a) or as a persecuted person or other eligible claimant under section 32. The provision for waiver has been included in the proposed legislation in an attempt to close out as expeditiously as possible the great majority of the pending title claims—that is, those which are filed against vested property worth less than $10,000. Elimination of these claims would be a major step toward the termination of the administration of World War II vested property.

CATEGORY II. TRADEMARK PROPERTIES

Since the use of a vested trademark would be deceptive except in connection with goods made by the prevesting owner of the mark, or the successor in interest of such owner, it is deemed advisable to make a general return of trademarks and unexpired interests in prewar contracts relating to trademarks. The proposed bill would authorize returns of trademarks or contract interests therein without regard to the $10,000 ceiling and thus would enable a natural person to receive such marks and contract interests in addition to $10,000 of other vested property. However, royalties or other income received from the marks on contract interests during the period of vesting would be charged against the $10,000.

The proposed bill would authorize the return of trademarks and contract interests therein to business enterprises as well as natural persons. However, any royalties or other income derived from such marks or contract interests during the period of vesting would not be returned to business enterprises. Also excluded from return, by reference to specific vesting orders, are certain possible reversionary or other similar rights relating to trademarks and goodwill which, since prior to World War II, have been assigned to and held by vested corporations which are still controlled by the Attorney General and which conduct manufacturing businesses. In general, the vesting orders excluded from the return provisions are catchall vesting orders issued as a precautionary measure for the purpose of cutting off any unknown or undiscovered rights which may have been retained by enemy nationals with respect to the goodwill, trademarks, and trade names of these vested corporations. Some of the excluded vesting orders vested contract rights which related to such trademarks and trade names. In many cases, these nebulous reversionary rights may be nonexistent or without any real value, although the catchall vesting orders still serve a precautionary purpose. To return the rights vested by these vesting orders might invite unnecessary harassment of vested corporations and their involvement in litigation with respect to those portions of their businesses in which the trademarks are used, notwithstanding the fact that the vested corporations for many years have operated these businesses independently of the former owners of any purported reversionary rights.

Inasmuch as the Attorney General has only about 325 vested trademarks and trademark contract interests, the return of such property would not involve the administrative problems described below with regard to copyrights. Consequently, the return would be effected by the claims program described under category I and would be subject to the restrictions mentioned there. The proposed bill provides that where a trademark or trademark interest was owned prior to vesting by a person in East Germany, it would be returned to a person in the Federal Republic of Germany if a competent agency of the federal republic certifies that an equivalent trademark has been registered by it for such person.

CATEGORY III. COPYRIGHT PROPERTIES

Vested copyright interests number more than 300,000. These cover vested copyrights and copyrights which are the subject of prewar contracts. A program for the return of copyrights and unexpired contract interests in copyrights of the nature described under category I might well become unmanageable because of the number of claims which might be filed and the complexity of claims of authors and composers in connection with vested prewar contract interests. Furthermore, since a substantial number of copyrights and contract interests would not be returned under the program proposed for category I by reason of the exclusion of East Germans, the Attorney General's Office would be forced to continue the administration of such copyrights and interests without any apparent practical means of terminating such administration within a reasonable time.

As a result of these considerations it has been deemed advisable in the proposed bill to effect the return of copyrights and unexpired contract interests therein by means of a statutory divestment which would require no acion on the part of the Attorney General. Such divestment would be effective without regard to the value of the copyrights and contract interests and would serve to effect returns to business enterprises as well as to natural persons. The divestment would not extend to royalties or other income received during the period prior to divestment. Such funds would be returnable only to natural persons within the limits and pursuant to the claims program described under category I.

It should be noted that the divestment proposed in the draft bill would serve to return copyrights and unexpired contract interests therein to persons and firms in the East Zone of Germany. Thus, although such persons and firms would not receive the return of any money in the hands of the Attorney General they would become entitled to any income from their copyrights and contract interests which might accrue after divestment. It is not possible to estimate the future annual amount of such income since the number and identity of former owners in the East Zone of Germany are not known at this time. However, the annual income realized from all vested copyrights and copyright contract interests during the past 5 years has averaged approximately $200,000. Even assuming that a substantial part of this figure would be paid

annually to persons behind the Iron Curtain during the next several years, divestment seems preferable to the administrative problems and substantial expense inherent in an extended claims program or other procedure for separating East Germans from other persons entitled to copyrights and contract interests therein. In addition, the divesting technique would enable the Attorney General to be rid of the administration of copyright properties and thus hasten the termination of the alien property program.

The proposed bill specifically excludes from return the moneys collected in connection with the publication in the United States of Hitler's Mein Kampf, the diaries of Paul Joseph Goebbels, the memoirs of Alfred Rosenberg and a work by a leading Nazi, Otto Skorzeny. The copyrights and contract interests connected with these works are also excluded from divestment. A photographic history of the Nazi Party formerly owned by Heinrich Hoffman, its official photographer, has been excluded from return. In addition, the copyright to a scientific motion picture entitled "Meiosis" has been excepted from divestment because of its wide use by American educational institutions. Since this copyright was owned by an East German firm prior to vesting divestment might impede its future use in this country.

CATEGORY IV. PATENT PROPERTIES

Patents and interests in prevesting patent contracts are excluded from return by the proposed bill. It has been the policy of the United States since 1942 to make the patents and technology vested from World War II enemy nationals readily available to American industry by means of revocable nonexclusive royalty-free licenses for the life of the patents. This policy has been widely publicized and has been relied upon by licensees in making investments to develop and exploit the patents. The exclusion of patent interests from the return program is thus in keeping with the Government's longtime policy and will serve to safeguard the interests of American licensees.

With two exceptions, the income received by the Alien Property Custodian and the Attorney General from vested patents and contract interests in patents would be returned by the proposed bill to natural persons up to a limit of $10,000 in the same manner as other property in Category I. One exception is the money collected from American licensees under prewar contracts with enemy nationals deemed violative of the antitrust laws. This money was collected because the Government did not suffer the disability of the enemy party. (See *Standard Oil Co.* v. *Markham* (57 F. Supp. 332), affirmed sub. nom. *Standard Oil Co.* v. *Clark* ((163 F. (2d) 917 (C. C. A. N. Y. 1947)), certiorari denied, 333 U. S. 873). It would, of course, be inequitable to enrich a returnee with a gift of funds which he himself could not collect. The second exception arises from the fact that much of the income received from vested patents and patent contract interests was derived from their use in war production. In returning vested patents and patent contract interests to nationals of Allied countries the Attorney General deducts royalties received from war production and turns them over to the Treasury. The returnee is compensated by his own government pursuant to reverse Lend-Lease arrangements. In the negotiation of the understanding between the United States and Italy which led to the return of vested Italian property it was agreed that patent royalties derived from war production should not be returned. In view of the fact that the segregation of such royalties would have been difficult, it was agreed that all royalties earned by vested Italian patent and patent contract interests prior to the end of 1945 would be deemed attributable to war production. The policy and date agreed upon in the Italian understanding have been used in the proposed bill.

CATEGORY V. PRINTS OF MOTION PICTURES

The Attorney General administers a considerable number of prints of motion pictures. Few, if any, of the individual prints are of more than nominal value. The aggregate value is not comensurate with the expense which would be involved in processing claims for their return. Furthermore, these prints can be duplicated elsewhere in almost every instance. Accordingly, the proposed bill excludes the prints from return except in cases where claims thereto have already been filed under existing law. The bill further provides that the Attorney General deliver the prints to the Library of Congress which may retain or dispose of them in any manner it deems proper.

A section analysis of the first part of the proposed bill is set forth below:

The proposed section 1 would make technical amendments to section 39 of the Trading With the Enemy Act necessitated by other provisions of the proposed bill.

Section 2 of the proposed bill would add new sections 40 to 43 to the Trading With the Enemy Act to effect the proposed returns of vested property. Such returns will not affect or be affected by transfers of the proceeds of liquidation of vested property to the War Claims Fund under the War Claims Act of 1948.

The proposed section 40 (a) would effect the returns in general of vested property to natural persons up to a limit of $10,000. It specifically excludes from return the securities subject to the looted securities agreement with the Netherlands, copyrights and copyright contract interests, motion picture prints, patents and patent contract interests, property transferable to the Philippine Government, and property subject to intercustodial agreements with foreign countries. It further provides that if the property of a prevesting owner exceeds $10,000 in value and cannot be divided into a portion having a value of $10,000, then return would consist of a lesser portion, if practicable, augmented by a supplemental return. Finally, section 40 (a) would make returns thereunder subject to deductions for expenses and reserves as set forth in section 40 (m).

The proposed section 40 (b) relates to trademarks and trademark contract interests. It would provide that they should be deemed to have no value in connection with the $10,000 limit on returns and in connection with valuation for the purpose of deducting general administrative expenses under section 40 (m). Section 40 (b) would make business enterprises eligible for the return of trademarks and contract interests therein. The reference to specific vesting orders would exclude from return certain possible reversionary or other similar rights relating to trademarks and good will connected with vested corporations still administered by the Attorney General. Trademark registration by the German Federal Government authorities would govern the return of trademarks in certain instances. All returns of trademarks would be subject to outstanding licenses issued with respect thereto.

The proposed section 40 (c) would authorize return of vested property to charitable, religious, and educational institutions without regard to its value.

The proposed section 40 (d) would limit to $10,000 the amount of property to be returned to the estate or the heirs of a prevesting owner who has died since the date of vesting. In addition, it would specifically prohibit any one person from receiving more than $10,000.

The proposed section 40 (e) would bar returns to persons claiming vested property who have previously settled or compromised suits or claims with respect to such property to persons or firms behind the Iron Curtain as of January 1, 1955, or subsequently, and to persons convicted of war crimes. Section 40 (e) (2) uses the phrase "maintained his principal dwelling place" in connection with the disqualification of persons behind the Iron Curtain. This phrase is used in preference to language appearing in section 2 of the Trading With the Enemy Act which defines an enemy as including a person "resident within" enemy territory. The definition in section 2 has caused difficulty, in part because of uncertainty as to the weight to be given to a person's intent as to the future place of his abode. The phrase "principal dwelling place" would eliminate such intent from consideration.

The proposed section 40 (f) would exclude from return by reference to specific vesting orders any income received by this Office from Mein Kampf and other works mentioned above and would exclude the Hoffman photographic collection both as to income and actual physical property.

The proposed section 40 (g) would exclude the return of moneys received from patent licensing contracts deemed to be violative of antitrust statutes and moneys received from the use of patents prior to the end of 1945.

The proposed section 40 (h) would bar return of property to a person claiming such property through his stock ownership or other beneficial interest in a business enterprise which owned the property prior to vesting.

The proposed section 40 (i) is practically identical with section 32 (d) of the Trading With the Enemy Act. It would restore persons to whom return is made to all rights, privileges, and obligations in respect of the returned property which would have existed if the property had not been vested. This section would specifically exculpate the Government from any liability in connection with its administration or use of the property during vesting. It would also bind the returnee by any notice received by the Attorney General prior to return and impose on him any obligations which accrued with respect to the property during the time of its vesting. The period of vesting would not be included for the purpose of determining the application of any statute of limitations to the assertion of any rights of such person.

The proposed section 40 (j) is practically identical with section 32 (e) of the Trading With the Enemy Act. It would permit persons eligible for return under the proposed section 40 to sue subsequent to the return to establish as against the returnee any right, title, or interest they may have in the returned property. The period of vesting would not be included in determining the application of any statute of limitations to any such suit.

The proposed section 40 (k) would require that claims for return under section 40 be filed within 1 year from enactment in such form as the Attorney General shall prescribe. New claims would be required from persons who have filed previously under other sections of the Trading With the Enemy Act.

The proposed section 40 (l) would prevent anything in section 40 from affecting the rights of claimants to pursue remedies under sections 9 (a), 32, or 34 of the act. It would prohibit a person claiming property under section 9 (a) or section 32 from receiving a return under section 40 unless he waives his claim under section 9 (a) or section 32 to the amounts of expenses and reserves retained under section 40 (m). A return of property to any person under section 40 would be prohibited while a claim to the same property filed by some other person is pending under section 9 (a) or section 32.

The proposed section 40 (m) would provide for the retention by the Attorney General of the amount of conservatory expenses incurred with respect to the returnable

property, a charge for administrative expenses and reserves for the payment of taxes and debt claims. It would provide that such expenses and reserves be retained from any additional property of the owner prior to vesting. Any unused portion of a reserve for the payment of taxes or debt claims would become returnable as though it had not been a part of a reserve. Returnees would be permitted to pay the amounts of expenses or reserves in lieu of the liquidation of returnable property to provide funds therefor.

The proposed section 40 (n) relates to controls exercised by the Treasury Department pursuant to section 5 (b) of the Trading With the Enemy Act over assets owned by Communist Chinese and certain other blocked nationals. Returned property would be subject to these controls if owned by such persons.

The proposed section 40 (o) would make the determinations of the Attorney General in the administration of section 40 final.

The proposed section 40 (p) contains definitions.

The proposed section 41 (a) would permit the use of currency of the Federal Republic of Germany payable to the United States to finance returns to persons in the Federal Republic or the western sectors of Berlin when the Attorney General deems that such action should be taken.

The proposed section 41 (b) would provide for the same possibility with respect to Japan if circumstances permit.

The proposed section 42 (a) defines "copyrights."

The proposed section 42 (b) would provide for the divestment of vested copyrights effective 90 days from the enactment of the section. This 90-day period is proposed in order to afford time for adequate notice and instructions to American licensees and American parties to vested prewar copyright contracts regarding the effect of divestment on their future payments of royalties and taxes thereon. Divestment would be made subject to outstanding licenses previously issued and assignments of interests in such licenses. The rights remaining in the Attorney General under licenses would be transferred effective the day of divestment to the owner of the divested copyrights. All royalties accrued up to that day would have to be paid to the Attorney General.

The proposed section 42 (c) would divest the vested interests in prewar contracts relating to copyrights effective 90 days from the enactment of the section. All sums payable under such contracts prior to the day of divestment would have to be paid to the Attorney General.

The proposed section 42 (d) would exclude from return the right to sue for infringement during the period of vesting.

The proposed section 43 would authorize the transfer of motion-picture prints to the Library of Congress with the exception of prints subject to claims under present law. The Library would have full discretion to retain or dispose of the prints in any manner it deems appropriate.

Section 3 of the proposed bill would amend section 32 (h) of the Trading with the Enemy Act to exclude from returns to designated successor organizations thereunder any property returnable under the proposed section 40.

Section 4 of the proposed bill would amend section 9 (a) of the Trading with the Enemy Act to permit the sale of vested property held subject to suit under that section upon a determination by the President that the interest and the welfare of the United States so requires. Any claimant in the suit would be permitted to elect, after the sale, whether to take his share of the proceeds of sale, if successful in the suit, or to request a determination of just compensation.

The final part of the proposed bill is to provide for the settlement of five categories of American war claims against Germany. Payments on allowed claims are to be made from the proposed German claims fund which is to consist of $100 million to be set aside from repayments by the Federal Republic of Germany under the agreement settling the United States claim for postwar economic assistance to Germany. The general types of claims authorized in the proposed measure are as follows:

(1) Physical damage to or physical loss or destruction of property located in Albania, Austria, Czechoslovakia, Germany, Greece, Poland, or Yugoslavia in the period beginning September 1, 1939, and ending May 8, 1945. Such losses must have occurred, under the proposed bill, as a direct consequence of military operations of war or of special measures directed against such property because of the enemy or alleged enemy character of the owner. The property must have been owned directly or indirectly by the claimant at the time of the loss, damage, or destruction. Certain items of personal property and intangibles are expressly excluded from the types of property, loss of which would otherwise be compensable under the bill.

(2) Damage to or the loss or destruction of ships or ship cargoes owned by the claimant at the time of such damage, loss, or destruction, which must have occurred as a direct consequence of military action by Germany in the period beginning September 1, 1939, and ending May 8, 1945.

(3) Net losses by insurance companies incurred in the settlement of claims for insured losses, including reinsured losses, of American-owned ships or ship cargoes as a direct consequence of military action by Germany in the period beginning September 1, 1939, and ending May 8, 1945.

(4) Loss or damage on account of the death or injury of any civilian national of the United States who was a passenger on any vessel engaged in commerce on the high seas if such death or injury was a result of military action by Germany during the period beginning September 1, 1939, and ending December 11, 1941 (the date upon which the United States declared war against Germany). In this general category the proposed bill would also include claims for the loss or damage to the property of any such passenger.

(5) Losses resulting from the removal of industrial or other capital equipment in Germany which was owned by the claimant on May 8, 1945, and removed for the purpose of reparation including losses from any destruction of property in connection with such removal.

Within the limits of the categories of claims provided for in the proposed bill, except with respect to death or personal-injury claims, provision is made for the recognition of claims based upon assignments to the claimant of the rights or interests in lost or damaged property or property that was subject to reparation removal.

Recognition of claims of stockholders or the direct or indirect owners of any other proprietary interest in a corporation or other entity, under the proposed bill would be conditioned upon 25-percent ownership, direct or indirect, of such interest at all times between the date of loss and the date of filing claim, by United States citizens or nationals. Each award under this type of claim would be in an amount equal to the respective percentage interest of each claimant in the total corporate ownership. In other words, if one-half of the stock of a corporation were owned by five persons each having a one-tenth ownership of the total stock and the total loss was $1 million, such individuals collectively would be entitled to one-half the loss and each claimant to one-fifth of such one-half, or $100,000.

Payment of awards certified to the Secretary of the Treasury by the Foreign Claims Settlement Commission would be made in the following order of priority:

(1) Death and disability claims would be paid in the full amount of each award certified.

(2) Payments of up to $1,000 would then be made on awards certified for all other claims. Thus, if the award is for $1,000 or less the full amount certified would be paid.

(3) Thereafter, payments would be made on the unpaid principal of awards in equal amounts on each award or in the total amount of the remaining unpaid principal amount whichever is less. The total payments under priorities (2) and (3) on any single award would not exceed $10,000 under the bill.

(4) Within the limits of any remaining funds available for payment of awards and after satisfying the requirements of priorities (1), (2), and (3) in that order, any remaining unpaid principal of an award would be paid on a prorated basis. If the funds remaining available for payment of awards, for example, amounted to 10 percent of the aggregate of such unpaid awards, each such unpaid award could be paid to the extent of 10 percent of the unpaid balance of such award.

Eligible claimants in the case of natural persons are required to be nationals of the United States on the date of the loss for which a claim is filed and continuously thereafter until the date of filing such claim. In the case of a person who may have lost United States citizenship through marriage to a citizen or subject of a foreign country, such person would be an eligible claimant if citizenship is reacquired prior to the date of enactment of the proposed bill, and if such person would have been a national of the United States at all times on or after the date of such loss if such marriage had not taken place. A national of the United States is defined as any person who is a citizen of the United States or who owes permanent allegiance to the United States. Aliens are expressly excluded from such definition.

Eligible claimants in the case of corporations or other business entities, under the proposed bill, are required to have been incorporated or otherwise organized under the laws of the United States or of any State or Territory thereof or the District of Columbia on the date of the loss, damage, destruction, or removal of its property, and not reincorporated or otherwise reorganized under any other laws in the period beginning with the date of the loss and ending with the date of filing claim. In addition the proposed bill requires as a condition of eligibility for such corporations or business entities that at least 50 percent of the outstanding capital stock or other proprietary interest in such entity was owned directly or indirectly by natual persons who could qualify as eligible claimants as described in the preceding paragraph.

These provisions of eligibility follow the traditional and generally accepted principle of international law relating to the nationality of claimants asserting claims against governments other than their own. It is believed a strict compliance with the eligibility requirements established by international law is essential since, in theory, the claims are to be paid from the proceeds of vested German assets that have been vested as reparation.

In addition to the foregoing major provisions of the proposed bill certain necessary collateral provisions are included relating to the claims filing period, limitation of attorneys' fees, deduction for administrative expenses and similar administrative matters. These are more particularly described in the following section-by-section analysis of this part of the proposed bill.

Section 5 amends the War Claims Act of 1948, as amended, by designating such act at title I.

Section 6 amends new title I by changing the word "act" to "title" wherever the word "act" appears.

Section 7 further amends the War Claims Act of 1948, as amended, by adding at the end thereof the following proposed title II containing sections numbered 201 through 220. These sections provide as follows:

Section 201 contains definition which would require that the loss, damage, destruction or removal for which compensation is claimed shall have occurred within the territorial limits of Albania, Austria, Czechoslovakia, Germany, Greece, Poland, and Yugoslavia as those limits existed in continental Europe on December 1, 1937. These countries are included since no provision has been made or is likely to be made for the payment of American war claims arising in these areas. In addition, this section defines the term "Commission" to mean the Foreign Claims Settlement Commission of the United States.

Section 202 creates in the Treasury of the United States a fund to be known as the German Claims Fund and directs the Secretary of the Treasury to cover into this Fund $100 million from the moneys to be paid to the United States by the Federal Republic of Germany under the agreement dated February 27, 1953, settling the United States claim against Germany for postwar economic assistance. In addition this section requires the deduction from such fund of an amount equal to 5 percent thereof as reimbursement to the United States for expenses incurred by the Commission and the Treasury Department in the administration of the claims program subsequently authorized.

Section 203 contains the basic authorization to the Commission for the receipt and settlement of five categories of claims which have been previously described in the summary of the major provisions of the bill.

Section 204 specifically excludes certain items of personal property, including tangible property, from the types of property the loss, damage, destruction or removal of which forms the subject matter of any claim authorized under section 203. Section 204 further provides that in determining the amount of any award credit shall be given for the amount which any claimant has received or is entitled to receive from any source on account of the same loss, damage, destruction or removal, thus preventing double benefits.

Section 205 relates to the eligibility of natural persons and corporations or business entities as claimants under proposed title II. The provisions of these sections have heretofore been described in more detail.

Section 206 relates to claims based upon proprietary or other interests in corporations or business entities. These provisions have been heretofore summarized and need not be repeated.

Section 207 requires the Commission to give public notice in the Federal Register within 60 days after enactment of the proposed bill or within 60 days after enactment of legislation making appropriation for administrative expenses, of the time limit for filing claims, and permits a maximum of 18 months after such publication within which claims may be filed.

Section 208 restricts recoveries under any claim which accrued to a national of the United States and purchased by another national of the United States to the amount of the actual consideration last paid for such claim prior to January 1, 1953. In other words, this section is designed to prevent unconscionable gains as a result of purchases motivated by this legislation.

Section 209 requires the certification of claims to the Secretary of the Treasury for payment.

Section 210 requires all awards to be paid from the German Claims Fund and permanently appropriates the money in such fund for the making of payments on all certified awards.

Section 211, subsection (a), sets forth the order in which awards shall be paid by the Secretary of the Treasury. The provisions of this section have been heretofore described in the summary of the proposed bill and need not be repeated here.

Subsection (b) requires payments and applications for such payments on certified awards to be made in accordance with regulations of the Secretary of the Treasury.

Subsection (c) provides that the term "award" shall mean the aggregate of all awards certified in favor of the same claimant except awards made with respect to death or disability claims where the basis of the claim would not consist of a series of losses by the same claimant.

Subsection (d) authorizes the issuance of a consolidated award in favor of several claimants having an interest in the subject matter of the claim and provides that such awards shall indicate the respective interests of such claimants therein. In other words, for example, where the original owner of destroyed property, who would have been an eligible claimant, dies either before or after filing a claim the heirs of such deceased original owner would be entitled to a consolidated award based upon such loss to the extent of their respective fractional interests therein.

Subsection (e) expressly authorizes the Secretary of the Treasury to create a reserve for the payment of certified awards and to defer payment thereof if such deferment is necessary or desirable and thereupon to make payments on account of all other awards. In other words, this provision is designed to prevent payments under later priorities from being delayed because of legal problems or other difficulties arising in connection with payments under awards having an earlier priority. For example, payment of an award may become impossible to make at a particular time because of litigation among survivors of an award holder or possibly because of corporate dissolution. Under these circumstances the payment of such award might be delayed for several years. Under this provision, meanwhile, a reserve could be set up in an amount sufficient to cover such an award and the Secretary could thereupon proceed with payment of awards having a later priority.

Section 212 provides that the payment of any award unless in the full amount of the claim shall not divest the claimant, or the United States in his behalf, of the right to assert a claim against any foreign government for the unpaid balance of his claim filed with the Commission.

Section 213 provides that the decisions of the Commission in the settlement of claims shall be final and conclusive without recourse to review in any court. It contains, further, the usual provision authorizing the Comptroller General to allow credit in the accounts of any certifying or disbursing officer for payments in accordance with the decisions of the Commission.

Section 214 authorizes appropriations by the Congress for necessary funds with which to administer the program.

Section 215 limits the fees of attorneys or others acting in behalf of any claimant in connection with any claim filed with the Commission to a maximum of 10 percent of the total amount paid pursuant to a certified award and sets forth certain criminal penalties for violation of this provision. This provision represents the accepted policy of limiting such fees in connection with claims and other services in matters involving agencies of the Government of the United States.

Section 216 authorizes payments under certified awards to the legal representative of any deceased person or persons under legal disability except where such payments will not exceed $1,000 and there is no qualified executor or administrator. In such cases the Comptroller General would be authorized to determine who is entitled to such payment. In other words, where the payment does not exceed $1,000 the expense of obtaining the appointment of administrators or guardians or of probating a will will not be required.

Section 217 prevents payments to any persons who collaborated with the enemy in World War II.

Section 218 incorporates certain definition and administrative provisions contained in the War Claims Act of 1948, as amended, making such provisions applicable to the administration of the German claims program. These provisions relate to rule-making authority, notice of the claims filing period, hearings, subpena powers, and related administrative matters.

Section 219 requires the completion of the German claims program within 5 years after the enactment of legislation making appropriations to the Commission for administrative expenses and provides that nothing in the provisions with respect to such program shall be construed to limit the life of the Commission or its authority to act with respect to other claims programs.

Section 220 directs the Secretary of State to make available to the Commission records and documents required by the Commission in the settlement of the claims authorized under proposed title II.

Section 8 of the proposed bill is a severability provision.

JURISDICTION OF GOVERNMENT CORPORATION CONTROL ACT OVER THE HOUSING AND HOME FINANCE AGENCY, RURAL ELECTRIFICATION ADMINISTRATION, AND SMALL BUSINESS ADMINISTRATION

Mr. WILLIAMS. Mr. President, I introduce, for appropriate reference, a bill to make the Housing and Home Finance Agency, the Rural Electrification Administration, and the Small Business Administration subject to the Government Corporation Control Act.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2230) to make the Housing and Home Finance Agency, the Rural Electrification Administration, and the Small Business Administration subject to the Government Corporation Control Act, introduced by Mr. WILLIAMS, was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. WILLIAMS. The purpose of this bill is to bring these three lending agencies under the Government Corporation Control Act, thereby extending to the General Accounting Office the authority to audit their transactions.

The Hoover Commission, in its report of March 1955, entitled "Lending Agencies," strongly recommended such action be taken, bringing these three agencies under the Government Corporation Control Act "in order to secure greater administrative efficiency and economy."

With these three agencies handling billions of dollars for the American taxpayers, certainly there can be no excuse why they should not be subject to an audit by the General Accounting Office.

CONSTRUCTION AND OPERATION OF JUNIPER DIVISION, WAPINITIA PROJECT, OREGON

Mr. MORSE. Mr. President, on behalf of myself and my colleague, the junior Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Juniper division of the Wapinitia Federal reclamation project, Oregon. I wish to make a brief explanation in regard to the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the Senator from Oregon is recognized.

The bill (S. 2234) to authorize the Secretary of the Interior to construct, operate, and maintain the Juniper division of the Wapinitia Federal reclamation project, Oregon, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. MORSE. Mr. President, on the eastern slope of the Cascade Mountains in Oregon, there is located a plateau known as Juniper Flat, containing over 2,100 acres of irrigable lands presently receiving an inadequate suppy of water during summer months. A full supply of water for these very fertile lands can become a reality if the waters of Clear Creek, a tributary of the White River in Oregon, can be stored for use as needed in irrigation. A plan has been outlined by the Bureau of Reclamation, and has been reported to the Congress favorably by the Department of the Interior, whereby Clear Creek waters may be so utilized. This plan is encompassed in a project described as the Juniper division of the Wapinitia project.

According to the Bureau of Reclamation, the necessary water storage can be accomplished by the construction of a dam and reservoir at the headwaters of Clear Creek. The dam would enlarge Clear Lake so as to create what would be known as the Wasco Reservoir. It would have an active storage of approximately 12,000 acre-feet for irrigation purposes.

I cannot overemphasize the importance of reclamation projects of this type for the West and particularly for the areas of the Pacific Northwest where rainfall is sparse. All of us in the Senate are aware that such projects will contribute substantially to the future food supply of our rapidly increasing population. The soil in these areas is highly fertile. In addition to wise farming, all that it requires for maximum service to humanity is water. Reclamation projects such as that envisaged for Juniper Flat, if constructed in our times, will be on hand to assist future generations in coping with the weighty problems of obtaining an ample supply of food.

The Bureau of Reclamation reports that this project is economically justified and that repayment of the reimbursable construction costs allocated to irrigation—$518,000—can be repaid by water users in accordance with the reclamation law, within 40 years after water comes to the land. An exceptionally high benefit—cost-ratio—is found in this case. Considering primary benefits alone, the favorable ratio would be 1.6 to 1.

This proposed project is located in a region containing some of the most beautiful forests, streams, and scenery in our Nation. Recreation facilities, which are so important in our day and age of tensions and pressure, can be developed to a substantial degree on this project. The report of the Commissioner of Reclamation on the Wapinitia project states:

> Significant recreation developments would also accrue if recreational facilities were developed in accordance with plans set forth in the report of the National Park Service.

For that reason, the bill which I am about to introduce would authorize the Secretary of the Interior to devote up to $34,870 to provide the visiting public with facilities for recreation on the project.

The Bureau's report states that the farmers who are members of the Juniper Flat District Improvement Co.—the existing irrigation facility—are overwhelmingly in favor of the project.

In fact, my colleague and I are introducing the bill because we have had very strong representations made by the farmers of this area as to the need for the water which would be provided by the project.

Mr. President, I sincerely hope that this project will receive prompt and favorable consideration of the Congress.

STUDY AND REPORT BY SECRETARY OF AGRICULTURE ON BURLEY TOBACCO MARKETING CONTROLS

Mr. ELLENDER. Mr. President, under date of June 7, 1955, the House passed Senate Joint Resolution 60, which had been passed by the Senate on April 28. The joint resolution authorized and directed the Secretary of Agriculture to make a study of burley tobacco marketing controls, and to report thereon.

The joint resolution is now on the President's desk awaiting signature. The President has been advised by the Secretary of Agriculture that it would be impossible to make a report by July 1, as the joint resolution directs.

I am, therefore, on behalf of the Senator from Kentucky [Mr. CLEMENTS], submitting a concurrent resolution, the purpose of which is to have the joint resolution returned to the Congress, with instructions that the action taken up to this time, including the signing of the joint resolution by the President of the Senate and the Speaker of the House, be rescinded, and that the Secretary be authorized to change the reporting date from July 1, 1955, to November 1, 1955, and that the joint resolution be then returned to the President.

I ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution (S. Con. Res. 37) requesting the President to return to the Senate the enrolled joint resolution (S. J. Res. 60) directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls, and providing for a change in the reenrollment of said joint resolution, was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled joint resolution (S. J. Res. 60) directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls; that if and when returned the action of the Speaker of the House of Representatives and the President pro tempore of the Senate in signing the said joint resolution be, and the same is hereby, rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed to reenroll the said joint resolution with the following change, namely: In lieu of the date "July 1, 1955", insert "November 1, 1955."

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, a letter to me from the administrative assistant to the Senator from Kentucky [Mr. CLEMENTS].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
June 14, 1955.

The Honorable ALLEN J. ELLENDER,
Chairman, Senate Agriculture and Forestry Committee,
Washington, D. C.

DEAR SENATOR ELLENDER: In the absence of Senator CLEMENTS, who is as you know in the Far East on a mission for the Appropriations Committee, I am taking the liberty of bringing to your attention and requesting your assistance with a problem that has arisen with respect to Senate Joint Resolution 60—directing a study and report by the Secretary of Agriculture of burley tobacco marketing controls.

This bill was passed by the Senate some weeks ago and by the House on June 7. (Passed Senate April 28.) As approved the resolution directs the Secretary to submit to the Congress on or before July 1, 1955, a report on the results of his study. The Department of Agriculture yesterday afternoon advised me they could not complete the report by July 1, 1955, and requested that if at all possible the resolution be drawn back from the White House by concurrent resolution and amended to make the reporting date November 1, 1955. I was further advised the Department has already requested the White House to withhold action on this resolution pending your consideration of this request and action by the Congress.

This request by the Department of Agriculture meets with the approval of our burley tobacco people, and if you concur there is attached a Senate concurrent resolution drawn to carry out the objective desired, which you may introduce in the Senate this afternoon, and with the approval of the minority, be passed at that time by unanimous consent.

Thanking you for your assistance in this matter, I am,

Sincerely yours,

FRANK DRYDEN,
Administrative Assistant to Senator Earle C. Clements.

CONCURRENT RESOLUTION FOR PEACE

Mr. SMITH of New Jersey. Mr. President, on last Friday, in cooperation with my colleague in the House, Mrs. BOLTON of Ohio, I introduced a joint resolution requesting the President of the United States to convey to the delegations attending the United Nations meetings in San Francisco a reaffirmation of the desire of the people of America for peace, and urging the people of other nations to join in a renewed effort for peace. Representative BOLTON and I have since conferred about this matter, and believe it was a mistake to introduce the measure in the form of a joint resolution. We believe that, instead, it should be submitted as a concurrent resolution.

Therefore, today Representative BOLTON is submitting in the House of Representatives an appropriate concurrent resolution, and I am submitting an identical concurrent resolution in the Senate, for appropriate reference.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 38) was referred to the Committee on Foreign Relations, as follows:

Whereas it is the hope and prayer of the American people that peace will be established among all the nations of the world, thus avoiding the carnage and destruction of war, making possible the lifting of the burden of arms and thereby freeing the energies of mankind to work more effectively to overcome the ravages of hunger, disease, illiteracy, and poverty: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress reaffirms the deep desire of the people of the United States for an honorable and lasting peace, and expresses the hope that the people of all the nations of the world join with the people of the United States in a renewed effort for peace.

The President is requested to convey an expression of such reaffirmation and such hope to the representatives of the nations gathered in San Francisco to commemorate the 10th anniversary of the founding of the United Nations.

AMENDMENT OF RULE RELATING TO CLOTURE

Mr. LEHMAN submitted the following resolution (S. Res. 108), which was referred to the Committee on Rules and Administration:

Resolved, That (a) subsection 2 of rule XXII of the Standing Rules of the Senate, relating to cloture, is amended to read as follows:

"2. If at any time, notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate pursuant to this subsection, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but 1, he shall lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by a two-thirds vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane, shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate."

(b) Subsection 3 of rule XXII of the Standing Rules of the Senate relating to cloture, is amended to read as follows:

"3. If at any time, notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate pursuant to this subsection, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the 14th calendar day thereafter (exclusive of Sundays and legal holidays), he shall lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Presiding Officer shall, without further debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"During the period intervening between the statement of the motion to bring debate to a close and the taking of the vote thereon, the time for general debate on such motion shall be equally divided between the proponents and the opponents thereof, and shall be controlled by 1 Senator designated by the Presiding Officer to control such time for the proponents and 1 Senator designated by the Presiding Officer to control such time for the opponents. Time available to, but not used by, either such side shall be yielded to the other side.

"If the question so submitted on the motion to bring debate to a close shall be decided in the affirmative by a majority vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate."

AMENDMENT OF RULES RELATING TO CERTAIN YEA-AND-NAY VOTES

Mr. LEHMAN. Mr. President, I submit, for appropriate reference, two resolutions proposing changes in the Rules of the Senate. The first of these resolutions proposes that there be an automatic rollcall on the question of engrossment and passage of any joint resolution proposing an amendment to the Constitution of the United States. The second of the proposed rules changes would provide that there must be a rollcall of the Senate on the final question to advise and consent to the ratification of a treaty.

I am sure that my colleagues are overwhelmingly in sympathy with the general purposes of these two proposals. The Senate Rules Committee in the 83d Congress reported favorably on Senate Resolution 207, providing for a rollcall on the final question to advise and consent to the ratification of treaties. In addition, the Committee on Rules and Administration reported favorably on my resolution, Senate Resolution 144, of the 83d Congress, proposing changes in the Senate rules which would require an automatic rollcall on the question of engrossment and passage of any resolution proposing an amendment to the Constitution.

I am pleased to note that since July 1953, when I called the attention of the Senate to the fact that a number of treaties had been passed upon by voice vote, and that even a resolution proposing an amendment to the Constitution had passed the Senate on a call of the calendar without a rollcall, this abuse of the responsibility of the Senate in these highly important matters has not recurred. However, while the majority leader of the Senate in the 83d Congress, the senior Senator from California, and our present majority leader, the senior Senator from Texas, have taken it upon themselves to assure rollcalls on such important measures as constitutional amendments and the giving of consent to the ratification of treaties, I feel that it would be well to amend the Rules of the Senate to bind future Senates in this regard.

It is my hope that these proposed changes in the Rules of the Senate can be expeditiously acted upon by the Committee on Rules and Administration, and that we shall be able to take formal action on these proposals prior to the adjournment of the 1st session of the 84th Congress.

The VICE PRESIDENT. The resolutions will be received and appropriately referred.

The resolutions were referred to the Committee on Rules and Administration, as follows:

Senate Resolution 110

Resolved, That rule XII of the Standing Rules of the Senate is amended by adding at the end thereof a new subsection as follows:

"4. No vote upon the question of engrossment and passage of any joint resolution proposing an amendment to the Constitution of the United States shall be had unless, immediately prior to such vote, it has been ascertained, by a rollcall ordered for such

purpose, that a quorum of the Senate is present. The question of engrossment and passage of any joint resolution proposing an amendment to the Constitution of the United States shall be determined by a yea-and-nay vote; and the yeas and nays shall be considered to have been ordered upon any such question."

Senate Resolution 111

Resolved, That rule XXXVII of the Standing Rules of the Senate is amended by adding at the end of the last paragraph of section 1 the following:

"No vote upon the final question to advise and consent to the ratification shall be had unless, immediately prior to such vote, it has been ascertained, by a rollcall ordered for such purpose, that a quorum of the Senate is present. The final question to advise and consent to the ratification shall be determined by a yea-and-nay vote; and the yeas and nays shall be considered to have been ordered upon any such question."

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENT OF DEFENSE APPROPRIATION BILL

Mr. CHAVEZ submitted the following notices in writing:

In accordance with rule XI of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6042) making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely: On page 52, after line 16, insert the following:

"SEC. 639. Effective April 15, 1955, and during the fiscal year 1956, under such regulations and in such localities as may be prescribed by the Secretary of Defense, enlisted members granted permission to mess separately whose duties require them to purchase one or more meals from other than Government messes shall be entitled to not to exceed the pro rata allowance authorized for each such meal for enlisted members when rations in kind are not available."

Mr. CHAVEZ also submitted an amendment, intended to be proposed by him, to House bill 6042, making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6042) making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely: On page 4, line 1, insert the following: "and in addition not to exceed $200 million to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for expenditure during the current fiscal year as the Secretary of Defense may designate."

Mr. CHAVEZ also submitted an amendment, intended to be proposed by him, to House bill 6042, making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

DEPARTMENT OF COMMERCE APPROPRIATIONS—AMENDMENT

Mr. GREEN (for himself, Mr. MONRONEY, Mr. CARLSON, Mr. SCHOEPPEL, Mr. KENNEDY, Mr. PASTORE, Mr. ERWIN, Mr. DANIEL, Mr. KERR, Mr. LONG, and Mr. THURMOND) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT—AMENDMENT

Mr. KEFAUVER submitted an amendment, intended to be proposed by him to the bill (H. R. 6575) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, which was referred to the Committee on Public Works, and ordered to be printed.

RETROCESSION OF JURISDICTION OVER ELLIS ISLAND—CHANGE OF REFERENCE

Mr. KILGORE. Mr. President, on May 4 1955, the bill (S. 1886) to provide for the retrocession of jurisdiction over Ellis Island, and the conveyance of all interest of the United States in such island, to the State of New York, was referred to the Judiciary Committee.

It has come to my attention since reference to the Judiciary Committee that this bill should properly have been referred to the Committee on Government Operations. I have caused a check to be made with the Parliamentarian's office and understand it was found, upon inquiry, that Ellis Island has been declared to be surplus property and, as such, the reference of S. 1886 should have been made to the Committee on Government Operations.

I presented the matter to the Committee on the Judiciary and upon its authorization I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of S. 1886 and that it be re-referred to the Committee on Government Operations for appropriate action.

The VICE PRESIDENT. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

PRINTING OF REVIEW OF REPORT ON MOREHEAD CITY HARBOR, N. C. (S. DOC. NO. 54)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated October 6, 1954, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of report on Morehead City Harbor, N. C., requested by a resolution of the Committee on Public Works on July 1, 1949. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON KALAMAZOO RIVER, MICH. (S. DOC. NO. 53)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated December 14, 1950, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review report on Kalamazoo River, Mich., requested by a resolution of the Committee on Public Works of June 24, 1947. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON CHIPPEWA RIVER, WIS. (S. DOC. 52)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated May 14, 1951, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of report on Chippewa River, Wis., and tributaries, requested by a resolution of the Committee on Public Works of October 28, 1941. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORTS ON MIDDLE SNAKE RIVER, SNAKE RIVER, AND TRIBUTARIES, WYOMING, IDAHO, OREGON, AND WASHINGTON (S. DOC. NO. 51)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated April 25, 1955, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of reports on the Middle Snake River, Snake River, and tributaries, Wyoming, Idaho, Oregon, and Washington, requested by a resolution of the Committee on Public Works on October 5, 1951. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BIBLE:

Address delivered by Senator THURMOND at the Big Seven regional meeting of the American Bar Association, at Cincinnati, Ohio, on June 10, 1955.

By Mr. BUTLER:

Address on the subject of the Olympic games, delivered by him before the combined Civic and Service Clubs of Ann Arundel County, Md., on June 9, 1955.

By Mr. MUNDT:

Commencement day address delivered by Hon. Harold E. Talbott, Secretary of the Air Force, at the Federal Bureau of Investigation Academy graduation exercises, in Washington, D. C., on June 10, 1955.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. KILGORE. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Gerald E. Murch, of Maine, to be a member of the Board of Parole, for term expiring September 30, 1959, vice James A. Johnston, deceased.

William F. Howland, Jr., of Virginia, to be a member of the Board of Parole, for term expiring September 30, 1960, vice Richard A. Chappell, term expired.

Notice is hereby given to all persons interested in these nominations to file with the committee on or before Tuesday, June 21, 1955, any representations or objections in writing they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

THE PRIVATE AND PUBLIC DEBT

Mr. MARTIN of Pennsylvania. Mr. President, debt, both public and private, has tripled in 15 years and is still rising.

Since 1950, the Federal debt has increased about $12 billion, while the States and communities have increased their debts from about $18 billion to $33 billion, or an increase of $15 billion.

Business and farm debts have increased over $80 billion and individual debt has increased over $50 billion.

The interest on these various debts is $23 billion a year.

From the standpoint of government, the States have increased their debt more rapidly than debt has been increased at any other level.

The time has come for governments and individuals to give dedicated consideration to the matter of debt. Government, at all levels, should balance the budget.

The great cause of inflation is governmental debt. All those in authority must give the closest attention to economical government.

The Philadelphia Inquirer of June 9 contained an editorial entitled, "New Jersey Taxes and Ours." This distinguished newspaper compares taxes and budgets in Pennsylvania and New Jersey.

New Jersey claims the smallest per capita State tax of any State in the Union.

All of us should congratulate New Jersey.

I ask unanimous consent to have printed at this point in my remarks the editorial from the Philadelphia Inquirer.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEW JERSEY TAXES AND OURS

Organized labor in Pennsylvania, strange as it may seem, has endorsed Governor Leader's proposed wage tax. But before the Governor commits his administration irrevocably to that levy, in violation of his campaign pledges, it might be a good idea for Pennsylvania leaders generally to take a look across the river, to see what goes on in New Jersey.

In a current advertisement, the public service corporation of that State points out that New Jersey has the lowest per capita taxes of any State in the United States of America for the 1954 fiscal year. It states further:

"New Jersey has no individual State income tax, no State corporation tax, no State unincorporated business tax, no State sales tax, and complete exemption of intangible personal property from local property taxes."

How does New Jersey do it?

It might be a good idea for leaders in Harrisburg to find out, before any more taxes are imposed on the people of Pennsylvania.

New Jersey's budget, incidentally, is balanced, too.

WATER SHORTAGES

Mr. BENNETT. Mr. President, until recent years the problem of water shortage was one with which we westerners wrestled almost exclusively. We have lived with the problem, although not happily, since the West was first opened to settlement, and our friends in the eastern part of the Nation have been content to let us work out as best we could the ever-recurring and never-ending problem of how we could obtain water for our farms, for our kitchens, for our industries.

During the last decade, however, the problem of water supply has become a matter of concern in many parts of the Nation whose annual rainfall we westerners have always envied. Water supply, vital as it is, apparently is no more important than water availability and water use. The shortage of usable water was best dramatized for nonwesterners in the spring and summer of 1950, when New York City suffered a drought that surprised those persons who had not learned, as we westerners have, that literal truth of that ancient aphorism "as fickle as water."

In this connection, Mr. President, the Washington Sunday Star for June 12, 1955, under the byline of Mr. Joseph A. Fox, printed an article headed "Water, Water Everywhere but United States May Be Facing Catastrophic Shortage." I ask unanimous consent that this article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATER, WATER EVERYWHERE, BUT UNITED STATES MAY BE FACING CATASTROPHIC SHORTAGE

(By Joseph A. Fox)

Is the United States headed toward a catastrophic water shortage?

That is more than a possibility, according to some experts. They point to spots on the water map where ever-growing needs already are creating supply problems—and litigation. They predict that the time will come when critical areas will be the rule rather than the exception, as population increases and industry expands.

Nothing of the sort is going to happen, according to another school of informed thought on the subject.

Conceding that the water stocks of the Nation are poorly distributed, and that there probably will be times and places in which severe shortages occur, at least temporarily, these experts insist that the country as a whole is safe.

The worst that could happen, they contend, is that water, which now costs the average householder less than 5 cents a ton—250 gallons—could become a relatively expensive commodity in areas of scarcity, where elaborate pumping systems might be required to bring it in from the outside.

The two sets of forecasters agree on one point: The country has become so dependent on an adequate supply of water for so many things, that much more must be done by everybody concerned, in the way of research and planning to meet this need. Admittedly, not enough attention has been given the problem in the past. Water has been too much taken for granted.

The West always has been water conscious, because of the demands of agriculture. More than half the water used in this country today goes to keep fields green in that region, once given over largely to sagebrush and rattlesnakes.

Nowadays, new advances in industry—the development of synthetic fibers, for example—call for more water all the time. Forty percent of all the water we use goes to industry. And so the industrial East also is awakening to the importance of the water factor in the economy.

With 90 percent of our useful water supply going to agriculture and industry, only a thin 10 percent remains for everyday living needs in city and countryside. Here, again, our growing population adds to the squeeze each year.

Congress also is becoming more aware of the water problem. The House, which wants to set up water-supply projects in every State, only recently started the ball rolling by voting $4 million to continue experiments on methods for making salt and brackish water usable for everyday needs. The Senate upped this to $10 million and a conference committee is now working on an adjustment.

President Eisenhower has a Cabinet committee studying the problem.

To anyone trying to get a true perspective on the dimensions of this water problem, the figures compiled by the United States Geological Survey offer a hopeful key.

CONSUMPTION MAY DOUBLE

There are 165 million people in the United States. They use, currently, 210 billion gallons of fresh water every day—more than 1,200 gallons a person. The experts expect this consumption rate to double within the next 25 years.

Where does this water come from?

Of the 210 billion gallons used daily, 175 billion is surface water from rivers and lakes. The remaining 35 billion are drawn from the ground in wells and springs.

How does the demand stack up against the supply?

The average daily rainfall across the country is 4.2 trillion gallons. This is 20 times the present daily demand. It represents an average annual rainfall of about 30 inches. The joker, however, is that only a fraction of this total water supply actually is available for use by man.

HOW IT BREAKS DOWN

Here is how the figures break down:

In the first place, more than 70 percent of the total precipitation—21.5 inches of it—is either evaporated or absorbed by nonuseful plants before man has a chance to get at it.

The remaining 30 percent—8.5 inches—becomes available to man in streams, lakes, or wells. Technically, this water is known as runoff. In theory, it can be used. Again, however, much of this water cannot under present circumstances be put to effective use. It comes in flood flow of such volume that it is too hard to store. Or it may be needed to carry away sewage—or for navigation. Some 7 inches of rainfall goes into these channels.

On its face, the picture is not too frightening. The water is there. Clearly, a serious shortage will be averted if we can find ways of getting more use from the 30-percent potential runoff supply, and of salvaging some of that original 70-percent wastage.

Bad distribution is the foremost stumbling block to satisfactory use of rainfall. Too often, rain comes at the wrong place, at the wrong time, and in too much volume.

The 17 westernmost States—where the Government has its vast reclamation projects—constitute about 60 percent of the land area of the United States. But they get only about one-fourth of the overall water supply.

BATTLE OVER WATER RIGHTS

There also is great disparity within these regions.

For example, the Pacific Northwest has a 100-inch rainfall yearly; places like Utah and Nevada get 4. This is the sort of thing that starts the States battling over water rights.

Adequate legal standards for this issue still are to be devised, but controls that will safeguard the rights of all are looked on as an ultimate certainty.

More basic than the problem of how to divide up the water is the problem of how to get more water to divide. Here is where the planners are really getting busy.

They emphasize:

"Overdevelopment"—that is, taking more water out of a given area than nature puts back in the earth—must be eased. New sources of supply must be developed. And, as a complementary proposition, no avenue of avoiding waste and promoting water conservation can be overlooked.

SEVERAL LINES FOLLOWED

In trying to take greater advantage of available water supplies, hydrologists have been pursuing several lines of attack.

Where geological conditions are favorable, it has been possible to save stream water that would otherwise be wasted by sinking wells nearby, and, in effect, siphoning the water through the ground to these subterranean depositories.

Another device is the artificial recharge of ground stores by spreading floodwaters from mountain streams over land where soil structure will permit it to seep in.

Receiving much attention also is the destruction of the worthless water-loving plants—they're known as phreatophytes—which habitually grow where their roots can be sent down to the water table and which, through the process of transpiration, discharge relatively large quantities of water vapor into the air.

The storage and reuse in small reservoirs and cooling towers of water that already has served some industrial purpose is another step being studied. More effective pollution control and less waste in irrigation also are recognized needs.

DESALTING MOST DRAMATIC

The most dramatic line of inquiry, however, is the desalting program. Here, of course, the effort is not aimed at salvaging presently available supplies—but rather at increasing the total supply of fresh water. Involved is not alone the matter of purifying salt sea water, but also of cleansing fresh water areas that have become impregnated with salt water seepage—a problem of increasing importance in some west coast areas.

Some work already has been done on this water-cleansing idea. But the ordinary processes still are too expensive to make the operation feasible in a program of any size. Right now, it costs between $400 and $500 an acre-foot—a 1-acre expanse of water but 1 foot deep—to freshen up the salt water.

The Interior Department which is directing the desalting project seeks to reduce the cost for sea water to about $120 an acre-foot, and that for making brackish water suitable for irrigation to $40 an acre-foot. Scientists believe these goals are in sight.

The key to the cleansing is cheap energy. Electricity is too expensive. The experts think the ultimate solution may lie in the application of some nonconventional energy—that generated by the heat of the earth.

Government scientists, refusing to be stampeded, always have felt that the water problem could be solved if nature got a little help before time ran out. Now, they see progress in that direction.

Mr. BENNETT. Mr. President, the House Committee on Interior and Insular Affairs today reported proposed legislation authorizing the upper Colorado River storage project.

Authorization and ultimate construction of this project will not solve all of Utah's water problems, but will greatly alleviate what amounts to perhaps the greatest single waste of water which this water-short Nation permits year after year. At a time when water is needed for the agricultural, industrial, and domestic survival of one of the fastest-growing areas in our Nation, we are permitting about 4,500,000 acre-feet of water to run annually into the sea. Is this wise water management?

I call Mr. Fox's article to the attention of my colleagues, particularly those in the House of Representatives, where there will yet be this year, I trust, a vote on the upper Colorado project authorization. The article does not concern itself with the project directly, but it does point up the seriousness of water shortages in many sections of the United States.

Mr. President, the means to correct one water problem—certainly the water problem for Utah and for her three sister States in the upper basin of the Colorado River—lies within congressional power today and in the weeks which lie ahead before this session of Congress adjourns.

It is the hope of the junior Senator from Utah that his colleagues in the House of Representatives will shut their eyes and ears to the flood of baseless propaganda which has been loosed against authorization of the upper Colorado River storage project and, as we in the Senate have done, will vote, when the time comes, to give Utah, Colorado, Wyoming, and New Mexico their fair share of water, provided by God, guaranteed by compact, but denied until now by legislative lethargy.

REMARKS BY GREGOR MACPHERSON, GRAND MASTER OF MASONS OF THE DISTRICT OF COLUMBIA, IN OPENING THE NIGHT OF THRILLS PROGRAM

Mr. FREAR. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the opening remarks by Gregor Macpherson, one of our able and distinguished Official Reporters of Debates of the Senate, and also grand master of Masons of the District of Columbia. Mr. Macpherson's remarks were made on the occasion of the annual Night of Thrills program at Griffith Stadium, last Friday evening. This program is the great charitable enterprise conducted jointly by the Masonic fraternity and the Order of the Eastern Star of the District of Columbia for the maintenance and support of the Masonic and Eastern Star home.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Brethren and friends, welcome to the 1955 Night of Thrills. Let us rejoice in this great opportunity to do something for someone else. Let us be thankful that we live in a country in which brotherhood is not a lost word, a country in which there is no price on a grand master's head.

DECISION BY THE SUPREME COURT OF THE UNITED STATES IN THE CASE OF FEDERAL POWER COMMISSION VERSUS OREGON

Mr. NEUBERGER. Mr. President, on June 6, 1955, I placed in the CONGRESSIONAL RECORD the decision which had been rendered that day by the Supreme Court of the United States in the case of Federal Power Commission against Oregon, and the dissenting opinion of Justice William O. Douglas. I may say in passing, Mr. President, without wanting to appear to pass judgment on the juristic merits of the case, that I was much impressed with the opinion of Justice Douglas, who has lived in the West and has much personal familiarity with the mountain streams and the national forests which give rise to the problems of this case.

These problems, Mr. President, are of crucial importance to all States within which the Federal Government holds extensive public lands. During the past week, I have received much additional evidence of the concern which the Supreme Court's ruling has caused in Oregon. Conservationists, among them Mr. Lyle F. Watts, former chief of the United States Forest Service, who now lives in Portland, fear that the State government now may be unable to protect unique natural scenery such as the

spectacular waterfalls of the Columbia River gorge. Others express alarm at the prospect that all administrative machinery set up by State governments to adjust competing interests in surface water may have been rendered useless.

In view of the importance of the problems raised by this decision for the Western States, in which water is the one most crucial resource, and in which the Federal Government owns so much public land, I have asked the Senator from New Mexico [Mr. ANDERSON], the distinguished chairman of the Subcommittee of Irrigation and Reclamation, of the Senate Committee on Interior and Insular Affairs, to initiate an early study of the practical effects of the Supreme Court's decision, with a view to determining whether legislative clarification of the relative functions of the Federal and State governments in this field is necessary.

I ask unanimous consent, Mr. President, to have printed in the RECORD my letter to the chairman of the Reclamation Subcommittee, the Senator from New Mexico [Mr. ANDERSON], followed by editorials from the Portland Oregonian of June 8, 1955, the Astorian Budget of June 9, and the Eugene Register-Guard, also of June 9, and an article from the last-named paper of June 8, 1955.

There being no objection, the letter, editorials, and article were ordered to be printed in the RECORD, as follows:

JUNE 13, 1955.

The Honorable CLINTON P. ANDERSON,
Chairman, Subcommittee on Irrigation and Reclamation, Senate Committee on Interior and Insular Affairs, Senate Office Building.

DEAR CLINT: I am writing you as chairman of the Reclamation Subcommittee of the Senate Interior Committee to bring to your attention the very serious problems which have been raised by the decision of the United States Supreme Court of June 6, 1955, in the case of *Federal Power Commission* v. *Oregon*. In that decision, the Supreme Court has held that the Federal Power Commission can authorize a licensee to build a dam on federally owned public lands across a nonnavigable, wholly intrastate stream without regard to State water laws and, in fact, against the opposition of the State agencies charged with responsibility for the use of water within the State.

You will, of course, immediately appreciate the far-reaching importance of this decision to all the Western States. On the one hand, water is the crucial and the most valuable resource of that region, and all Western States have adopted elaborate legal provisions to assure its wise and productive use. On the other hand, large proportions of the land in these States—in Oregon, 51 percent—are Federal property. If the streams flowing across that Federal property are to be beyond State control, all efforts of the States to assure conservation and fair adjustment of competing interests in water may be rendered futile.

The potential impact of the decision has accordingly caused much alarm in my own State of Oregon. Conservationists have inquired whether the Federal Power Commission may now license dams to exploit the spectacular waterfalls of the Columbia River gorge—falls which the people of Oregon want forever protected in their unique scenic grandeur. Fishermen fear that the State's water resources board will be powerless to weigh the need for protecting salmon and trout against the claims of hydroelectric development. The status of current proposals for dams on the McKenzie and the Illinois Rivers in Oregon has been thrown into doubt by the apparent sweep of the Court's opinion. I have no doubt that the implications of the decision are equally significant for every other State which has substantial Federal public lands within its borders.

I should like to suggest, therefore, that the Reclamation Subcommittee undertake at the earliest opportunity a study of the scope of the decision of the Supreme Court in *Federal Power Commission* v. *Oregon* and of its probable impact and practical effect on the authority of a State to regulate the use of flowing water within its borders, with a view to determining whether or not legislative clarification is necessary. As the Supreme Court recognized, the functions of the Federal and State Governments in the development of river resources constitute a complex pattern of constitutional and statutory responsibilities. It is not a field in which hasty action is advisable. The importance of the problems raised by the Court's decision is such, however, that the appropriate congressional committees should review them as soon as possible to determine whether and what additional Federal legislation may be needed. For that purpose, I shall be glad to make available to the Reclamation Subcommittee all materials which I may receive bearing on the consequences in practice of the Court's decision.

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

[From the Oregonian, of Portland, Oreg., of June 8, 1955]

OREGON LOSES ITS WATERS

The United States Supreme Court's decision in the Pelton Dam case is a staggering blow to sovereignty of the Western States over their internal, nonnavigable waters. Those who have been indifferent to the legal battle over use of the Deschutes River in the belief that it was merely a fish versus power fight may now perceive that it involves a great deal more than Pelton Dam.

The decision means that Oregon and other Western States have no jurisdiction or control over the use of waters flowing through Federal lands when such lands have been reserved for specific uses by an administrative order of a Federal official.

Since there is no legal appeal beyond the Supreme Court, the only recourse from this point onward if Oregon is to regain the power to determine the most beneficial uses of its waters is to go to Congress. The support of populous California and other States should be obtained for an amendment to the Federal Power Act. Congress should write into the act the requirement for State permission before construction of power dams and nonnavigable, intrastate streams.

The 7-to-1 decision of the Supreme Court, reversing a 2-to-1 decision of the Ninth Circuit Court of Appeals, has not yet been received and carefully studied here. But it seems to turn on a distinction made between Federal lands such as national forests and grazing lands, and Federal lands set aside as power sites.

The Desert Land Act of 1877 gave to the Western States to which it applied the control of waters flowing from the public domain. About 1909, under Theodore Roosevelt's influence, the Secretary of Interior began withdrawing power sites on streams. This action was questioned, and in 1910 Congress gave the Secretary specific authority to make reservations for power purposes.

No one seems to have a handy record of how many such power reservations were made in the State of Oregon in the period 1909 to 1913. But these included the Pelton and Round Butte sites on the Deschutes, sought by Portland General Electric Co., as well as several in the Rogue River system. The Supreme Court held that these were not subject to terms of the Desert Land Act. Hence, no State authority need be recognized.

If this means what we believe it means, these old sites on the public domain as well as any others the Secretary of Interior may wish to withdraw or reserve for power purposes may be turned over to private or public dam builders by the Federal Power Commission without regard for State laws or licenses.

Since the Federal Government owns 51 percent of Oregon's land area and virtually all major rivers originate in or flow through Federal lands, this means that Oregon has lost jurisdiction over the bulk of its inland waters.

The hearing held by the State engineer the other day on the city of Eugene's application for the Beaver Marsh project, in a national forest, thus appears to have been a waste of time. The site could be taken out of State jurisdiction—if, in fact, it is there now—by a simple order of a Federal official.

The elaborate machinery for a State water resources commission and law adopted by the last legislature will have far less authority than had been supposed, if Congress does not change the laws interpreted by the Supreme Court.

Sportsmen and commercial fishermen who have given some thought to proposing that the people of Oregon vote on establishment of fish sanctuaries in certain rivers in which fish are a paramount value may as well forget about it, if the Supreme Court's decision stands. The Federal law would nullify such an expression of popular will in Oregon.

So far as the Deschutes itself is concerned, PGE's decision to ask for reinstatement of its 50-year license for a dam at the Pelton site and one at the Round Butte site will depend on a number of factors. Some of these are its plans for partnership development of John Day Dam and joint construction with other utilities of the Mountain Sheep and Pleasant Valley Dams in the Snake River.

But the effect of the Supreme Court's ruling goes far beyond the Deschutes. We believe a State should have primary jurisdiction over the use of nonnavigable waters within its borders. Oregon's congressional delegation should get to work on this immediately.

[From the Astorian Budget, of Astoria, Oreg., of June 9, 1955]

LEGISLATION NEEDED

The shocking decision of the United States Supreme Court in the Pelton Dam case—a decision which seems to have caught even Portland General Electric by surprise—indicated a need for the States to rise to protect whatever rights they may have in governing the use of waters within their boundaries.

The Supreme Court decision seems to make a serious Federal encroachment upon such rights, making it possible for a Federal agency to override the will of the people of a State with respect to water usage.

The grounds on which the Supreme Court based its decision that the Federal Government had a right to license Pelton Dam seem specious. The court held that since the banks of the Deschutes River at Pelton were both owned by the Federal Government the Government had a right to license the dam. Obviously there are many places, particularly in the West, where the Federal Government owns much property, where the mere accident of Federal ownership of river bank property will make possible future circumventions of State control of use of State waters.

The only recourse the State of Oregon has in this matter is by act of Congress. There is no other way to upset a Supreme

Court decision, unless the Court itself should be persuaded to reconsider.

Presumably other States will be willing, probably eager, to join Oregon in seeking congressional action which would prevent such Federal encroachments as the Supreme Court has just authorized.

[From the Eugene Register-Guard, of Eugene, Oreg., of June 9, 1955]

THE PELTON DAM DECISION

This week's Supreme Court decision on Pelton Dam has implications that may go far beyond the gorge of the Deschutes River where the Portland General Electric Co. wants to build a power dam. The implications could reach into the structure of State government, into the philosophy of States rights, and into the proposal of the Eugene Water and Electric Board for building Beaver Marsh Dam on the headwaters of the McKenzie. The decision will make some persons wonder why they bothered to testify last week when the State engineer conducted hearings on the Beaver Marsh issue. The Federal Government may be interested in what the State engineer decides after the local Beaver Marsh hearings, but, since this Supreme Court decision, the engineer's recommendations will be merely recommendations.

Let's review:

Pelton Dam would be in the Deschutes River in Jefferson County. It would be built by the Portland General Electric Co. When the utility first sought to build the dam, fish and wildlife interests objected. Who was right and who was wrong in that controversy has no bearing on the present case. The State engineer figured the fish and game people were right. PGE's license application was turned down. Then PGE went to the Federal Power Commission and got a license from that group. Upon this Oregon sued the FPC in Federal court. The Federal court upheld Oregon's objection. The FPC appealed to the Supreme Court, which Monday said that PGE can build its dam.

The Deschutes is not a navigable stream, and it lies wholly within the borders of the State of Oregon. The Federal Government got into the picture because the shoulders of the dam would rest on Federal property. (Similarly the Federal Government has an interest in Beaver Marsh because that dam would be in a national forest.) Since the Desert Land Act was passed in 1877, States have had control of waters flowing through the public domain. However in 1910 Congress gave the Federal Government specific authority to "withdraw" power sites lying within the public domain. The court Monday held that such power sites are not subject to the 1877 Desert Land Act and thus that State permission is not needed for development of one of these power sites.

The Supreme Court ought to know what the law is. A 7-to-1 decision is a strong decision. It would be presumptuous for us to question the legal opinions of seven Supreme Court Justices.

We don't consider ourselves in the ranks of the vigorous "States' rights" supporters. Too often "States rights" has been a refuge of scoundrels and a shield for demagogues. But we don't like to have local opinion ignored, either—law or no law.

When you don't like a law, the best thing to do is to change it. That's what the Izaak Walton League and similar groups are asking Senator RICHARD NEUBERGER to work for now. They want a law, similar to the one introduced by Wisconsin's Representative JOHN BYRNES a couple of years ago, which would protect the State's interests in such matters. Representative BYRNE'S bill got lost in Congress and never came to a vote. We agree that now is the time to try again.

Oregon is 51 percent federally owned. Some States such as Wyoming, Utah, and Nevada, are even more heavily owned by the Government. All the Western States have a vital interest in the Monday decision. Already Washington, concerned about a city of Tacoma power project, has expressed great alarm over the Monday decision. California, which is arid in many portions and has many streams flowing wholly within the State, is also interested—and populous enough to bring impressive congressional weight to the question.

We will grant to the Federal Government the right to prohibit a dam on Federal property if the Government doesn't want it there. But we can't feel that local interests are being protected if the Federal Government can authorize dam construction without the approval of the people whose interests will be most affected by it.

[From the Eugene Register-Guard, of Eugene, Oreg., of June 8, 1955]

STATES RIGHTS SCRAP LOOMS ON WATER USE AFTER HIGH COURT'S DECISION ON PELTON DAM

The United States Supreme Court's ruling in favor of a private power company's plans for Pelton Dam on the Deschutes River in central Oregon was working itself into a "States rights" battle Wednesday.

But most of those who are concerned more or less directly with the decision were either reserving candid opinion or were out of their offices and couldn't be reached.

Some charges were building up, however, and there are indications that some persons may seek a possible rehearing on the decision.

Objections so far are arising from the Court's ruling Monday that the Federal Power Commission has jurisdiction over the use of water on nonnavigable streams that touch upon federally owned land.

WATER CONTROL

This ruling indicates that the State has no say over who will and who will not be permitted to use water from Oregon streams for power projects.

Pelton Dam is in that situation. The location on the Deschutes touches on an Indian reservation on one side. Therefore, the FPC, according to the Supreme Court, has jurisdiction over the use of the water in relation to the reservation, for the power development.

Development is planned by the Portland General Electric Co. The firm has asked for a 50-year permit for the dam construction and powerhouse features.

DAMAGE TO FISH

Arguments on the issue started some time ago when an application was made by the company to the Oregon State engineer. Conservationists pointed out that fish life in the Columbia River would be harmed and spawning beds would be irreparably damaged.

The State engineer and the hydroelectric commission denied the application. The matter was appealed to the Ninth Circuit Court of Appeals.

The court of appeals upheld Oregon, declaring that the State has the right to control use of the water within its boundaries.

With the High Court ruling, however, the issue has apparently become more than a fish and power fight. It is a matter of States rights in the control of local factors.

FIRST BLAST

First major blast against the High Court's decision came Tuesday from Dan Allen, of Eugene, State president of the Izaak Walton League.

Allen argued that the ruling may serve to make the new State water resources board ineffective. He charged that the decision means the State and its residents have no control over the use of water on the nonnavigable streams just because they pass through Federal lands.

JUST A JOKE

Allen also declared that the State engineer's hearings in Eugene last week on the Beaver Marsh project contemplated by the Eugene Water & Electric Board may turn out to be a joke.

Beaver Marsh is on the upper McKenzie and is in federally owned forest land. Presumably the State engineer would be the ruling factor in whether or not the EWEB can use the river water for its planned power project.

But the Beaver Marsh issue must also face an FPC hearing on June 27 in Eugene. If the State engineer recommends denial of the EWEB application, it appears the FPC could make the final decision on the application by giving its approval.

COMMENT RESERVED

Ivan Oakes, secretary of the Willamette River Basin Commission, said from his Portland home Wednesday that on the surface, the decision seems like "not a very good thing for Oregon. We should have the say over our own water."

Oakes said he will reserve other comments until reading the decision. He added that as far as he knows, no one in Oregon has received copies yet.

Dean Orlando Hollis, chairman of the Eugene Chamber of Commerce power committee, also reserved comment.

Lyle Watts, Portland, who was chairman of the Governor's interim committee on water resources, commented that the decision is "unfortunate, so far as that goes, but I don't know how unfortunate yet."

ENCROACHES ON STATE

Rollin Bowles, attorney for the Izaak Walton League in Pelton, urged Senator NEUBERGER to seek aid in obtaining congressional change of laws to stop possible Federal jurisdiction over interstate streams.

Oregon Attorney General Robert Y. Thornton also had objections to the High Court's decision. He declared that the decision "may well be a very serious encroachment on the rights of the States to control purely internal nonnavigable streams."

DISASTER AT LAS VEGAS, NEV.

Mr. BIBLE. Mr. President, I wish to make a brief statement concerning a very disastrous event which has just occurred.

Mr. President, Las Vegas, Nev., where many Senators have visited, is at this moment the center of a disastrous flood and hail storm. Telephone service into the area is disrupted, and early this morning first press reports indicated damage in excess of $1 million already.

Almost fifty blocks of this desert city were under more than two and one-half feet of water. Reports within the past hour indicated a severe hail storm has added to the confusion and destruction. I have already alerted the civilian defense officials here in charge of the disaster-relief program, asking their cooperation for immediate assistance and relief to any individuals in need in the Las Vegas area. The Federal Civil Defense is telegraphing to its office nearest to the storm area, to determine what damage has occurred and what assistance will be necessary.

The Senate might give thought for a moment to commending the Federal agencies charged with giving immediate aid in instances of this kind. I have found the Civil Defense officials to be extremely cooperative, and I want to commend them at this time for their fine attitude and prompt action.

MEETING "AT THE SUMMIT"

Mr. KEFAUVER. Mr. President, citizens of this country and peaceloving men and women all over the world are looking forward with hope to the meeting "at the summit," which will be held at Geneva beginning July 18.

There has been some fear in the administration that hopes might run too high in regard to the possible accomplishments at this meeting. This may be so, but it also should be pointed out that even if concrete agreements cannot be reached at this meeting, if a more tranquil world results regardless of agreements, we shall have made a long step forward.

Lessening of tensions in itself will be a great accomplishment. Agreements may be possible in tranquility which appear incapable of accomplishment now.

I hope that a spirit of bipartisanship will accompany the American delegation. I hope also that the delegation will be representative of the best we have to send to these vital negotiations.

With this in view I suggest to President Eisenhower that he include on his delegation the distinguished chairman of the Foreign Relations Committee of the United States Senate [Mr. GEORGE].

I do not say this as a matter of flattery. The Senator from Georgia, with his great knowledge and experience, his integrity, and his courage, has become, to my mind, the principal stabilizing force in American foreign policy. I should like to see him as a member of this delegation, not because as a Democrat he would lend to the delegation an air of bipartisanship, but because of his ability and character.

I further propose that Ambassador George Kennan be included on the President's delegation. I do not know Ambassador Kennan's party alinement, if he has such. But I do not know that he has a knowledge of Russia and her leaders which is rare among Americans. We know him, too, as a principal architect of the policy which has now reached its fruition in the changes which have been observed in the foreign policy of Russia, and of which this conference at the summit is the outstanding example.

Last, but not least, I believe that Mrs. Eleanor Roosevelt should be a member of the President's delegation. As a delegate to the United Nations she has great experience in dealing with the Russians which she did with courage, independence, and, most important, patience. Her presence would have the respect of Russia and create confidence on the part of free peoples all over the world.

I make these suggestions seriously and hopefully. I hope that those at the State Department and the White House who are concerning themselves with the composition of the President's delegation will give them thoughtful consideration.

PROPOSED NATURAL GAS LEGISLATION

Mr. DANIEL. Mr. President, in today's Washington Post there is an editorial concerning the natural gas legislation recently reported favorably by the House Committee on Interstate and Foreign Commerce. It is the so-called Harris bill, which would amend the Natural Gas Act to relieve some of the consequences of the recent Phillips decision by the United States Supreme Court. A similar measure is presently pending in the Senate Interstate and Foreign Commerce Committee. While I do not agree with every statement made, this editorial is worthy of note by the Members of Congress, and I therefore request unanimous consent that it be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONSUMERS AND GAS PRICES

The difficulties involved in the problem of regulating natural-gas prices were illustrated by the 16-to-15 vote on the Harris compromise last week in the House interstate and Foreign Commerce Committee. The Supreme Court itself was split in its decision a year ago in which it declared that the Federal Power Commission has the power and duty to regulate the prices paid to natural gas producers. The House committee wisely rejected the original Harris bill which would have overturned the Supreme Court decision. Instead after weeks of hearings and lengthy executive sessions, the committee approved by the 16-to-15 vote, a measure giving the FPC power to set maximum prices in the various gas fields.

Furthermore, the bill gives the FPC power to invalidate certain price increases. For example, the FPC could prevent increases under the so-called escalator and favored-nation clauses in contracts. These clauses permit producers to increase gas rates for a variety of reasons, most of which have nothing to do with the actual cost of production. The compromise plan would allow FPC to invalidate rate increases under escalator clauses while leaving the producer free in the first instance to negotiate within the maximum rate established, basic contracts with the pipelines.

Most of the consumer groups holding out for vigorous regulation of all gas prices oppose this compromise. While it is impossible for the layman to be certain that the compromise is workable, it seems to this newspaper, as it did to the committee majority, that it is as satisfactory a solution as is possible under the extremely complex circumstances. Producers have made a strong case against Federal price fixing of gas prices at the wellhead, but they have not given satisfactory assurances that the consumer would be protected if there were no regulation at all. Therefore, the compromise plan seems to be worth trying.

But Representative HARRIS is not content to rest with the compromise. Stung by criticisms from consumer groups and by the opposition to his original bill by some gas distributors, he has introduced a resolution calling for an investigation of the cost of transportation and distribution of natural gas. The natural gas producers have maintained that their price increases do not wholly account for the substantial increases to the consumer in recent years. Mr. HARRIS would find out "why the average residential consumer here in Washington is required to pay $1.39 per thousand cubic feet for natural gas which has a field cost of only 11 cents to the producer * * * I think we should find out why it is that in New York the average cost to the residential consumer is $2.43 per thousand cubic feet for natural gas, which has a field price of 8 cents."

These are legitimate questions. If such an investigation were properly conducted it should tell us whether the FPC, which regulates the pipelines, and the State utility commissions, which regulate the distributors, are doing a thorough job of protecting the consumer. The public utility commissions of the District of Columbia, Maryland, Virginia, and West Virginia made a strong case the other day that the FPC is not now properly exercising its authority to regulate producers' prices. The investigation, however, should not be conducted simply to prove the kettle blacker because there is bad feeling between producer and distributor interest. Congress must look out for a broader national interest. Certainly, if it passes the Harris compromise, Congress will have a responsibility to make certain that the FPC carries out its part of the bargain for the protection of the consumer.

PREFERENCE IN TRIALS OF CRIMINAL PROCEEDINGS INVOLVING TREASON AND OTHER CRIMES

Mr. BUTLER. Mr. President, in support of Senate bill 682, which I introduced on January 24, 1955, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the national executive committee of the American Legion at its May 1955 meeting, and in making this request, I also express the fervent hope that this bill will soon be scheduled for consideration.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas under date of January 24, 1955, Senator JOHN M. BUTLER, of Maryland, introduced S. 682, same being a bill to accelerate consideration by the courts of criminal jurisdiction of proceedings involving treason, espionage, sabotage, sedition, and other subversive activities; and

Whereas in the opinion of the members of the national legislative commission of the American Legion the law should also be changed to increase to 15 years the statute of limitations applicable to certain of the offenses enumerated in said bill S. 682: Now, therefore, be it

Resolved by the national executive committee of the American Legion, in regular meeting assembled at Indianapolis, Ind., May 4–6, 1955, That we do hereby go on record as favoring the passage of the said bill S. 682; and be it further

Resolved, That the national legislative director of the American Legion be and he hereby is authorized to appear before the Congress in support of the said bill S. 682.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. STENNIS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Foreign Relations:

John B. Hollister, of Ohio, to be Director of the International Cooperation Administration; and

Donald D. Kennedy, of Oregon, and sundry other persons for appointment in the diplomatic service.

By Mr. KILGORE, from the Committee on the Judiciary:

Edward G. Minor, of Wisconsin, to be United States attorney for the eastern district of Wisconsin, vice Timothy T. Cronin, term expired; and

Kenneth P. Grubb, of Wisconsin, to be United States district judge for the eastern district of Wisconsin.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Twenty-nine postmasters.

By Mr. BYRD, from the Committee on Finance:

Donald Ross, of New Jersey, to be a member of the Renegotiation Board, vice John Hubbard Joss, deceased.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will proceed to state the nominations on the executive calendar.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Edward J. Sparks to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guatemala.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES TARIFF COMMISSION

The Chief Clerk read the nomination of James Weldon Jones to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1957.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

ROUTINE DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the routine Diplomatic and Foreign Service.

Mr. STENNIS. Mr. President, I ask that the routine nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The VICE PRESIDENT. Without objection, the routine Diplomatic and Foreign Service nominations are confirmed en bloc.

Mr. STENNIS. I ask that the President be notified immediately of all nominations confirmed this day.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. STENNIS. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. STENNIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, it is so ordered.

RESIDUAL OIL AND COAL

Mr. MARTIN of Pennsylvania. Mr. President, the bill to extend the Reciprocal Trade Agreements Act is about to be reconsidered by both the House and the Senate.

Presumably it will become law very shortly.

Inasmuch as it contains a provision that was accepted in lieu of a specific quota limitation on oil imports, I believe that it is not too early to take stock of the oil import situation.

We should determine whether the wishes of the President and the Congress as embodied in the present version of H. R. 1 are being carried out.

The matter of oil imports and their relationship to domestic production and capacity of all fuels is of vital importance to the country as a whole because of their impact on the national security and the general economic welfare of our citizenry.

Among the several States, Pennsylvania has perhaps the major stake in the overall fuels picture. The State of Pennsylvania is the Nation's second leading producer of bituminous coal. It produces all of our anthracite. It is America's pioneer oil State and continues to produce upwards of 10 million barrels of crude petroleum each year.

Natural gas has been produced in Pennsylvania since its discovery in Butler County in 1840. In total, Pennsylvania is the Nation's third ranking producer of mineral fuels and power in the United States.

As a consumer of bituminous coal and competing fuels and power, Pennsylvania stands well above every other State in the Union. We are far and away the leading consumers of coal and we take an important share of the other sources of energy.

If atomic energy is ever to become a practical means of generating electric power on a commercial basis, Pennsylvania will be in the vanguard of this new industry, inasmuch as the generating plant of the Duquesne Light Co. at Shippensport is the first of its kind in the world.

Some of the fuel being consumed by electric outlets and industries on Pennsylvania's east coast is imported residual oil; in addition, a percentage of the crude refined in the eastern part of our State comes from foreign sources.

The President's Advisory Council on Energy Supplies and Resources Policy, after a thorough investigation which was conducted over a period of several months, came to the conclusion that it would be perilous to our security to permit those oil imports to exceed the 1954 proportions.

As for the effect of oil imports on the economy of our State, Pennsylvanians have long recognized that much of our unemployment can be attributed directly to the Nation's oil-import policy.

Residual oil imports are competitive with both the bituminous coal and anthracite industries. The problem thus created concerns not only the present generation, but is also inherent in a long-range analysis.

The Nation has depended upon Pennsylvania's coal production for 200 years, and it will continue to do so for many centuries into the future.

As a consequence of the decline in coal's markets created by the impact of excessive residual oil imports, our railroad industry has also been injured severely.

Pennsylvania originates and receives far more railroad coal freight than any other State, with coal tonnage accounting for a considerable portion of the total revenue. When coal production goes down, railroad employment goes down with it.

The effect of unnecessarily high imports in the domestic oil industry has also been defined before committees of Congress and for the attention of the President's council on fuels.

America's independent producers and refiners have long warned of the adverse effect of imported crude products on their industry.

It is my considered opinion that the agreement reached by the Senate Finance Committee with the executive department and representatives of large importing oil companies can serve as an effective checkmate on oil imports.

While it will not restore all the markets which the coal and domestic oil industries have lost to imports over the past several years, it nevertheless serves notice that the Government will not tolerate foreign trade practices which are harmful to the Nation and its people.

It definitely establishes a level that must be respected by the importing companies.

As we approach the end of the first 6 months of 1955, I feel that it is incumbent upon Congress to examine the trend of oil imports during this period.

For this reason I have made a detailed study of United States Bureau of Mines reports relative to incoming shipments of crude and its products during the first 5 months—January through May.

Crude and refined products totaled 188,670,300 barrels, an increase of 19.2 percent over the 158,317,000 barrels which were imported in the same months of 1954.

Obviously, this figure is entirely out of proportion to the levels agreed upon.

In the matter of residual oil imports, reports are even more unfavorable. This

fuel entered our country in such quantities during the first 5 months of this year that statistics show a 25-percent increase over the January–May period of 1954.

Last year 56,956,000 barrels of residual oil were imported from January 1 through May 31; in the current year the total amount was 71,571,000 barrels. At this rate the year's total would amount to more than 171 million barrels—far more than ever before in history.

The President's fuel report, recommending that the line be drawn in accordance with 1954 proportions, was issued last February 26. In the 4 weeks ended March 25, imports of residual oil were up 22 percent over a like period in the previous year. For the 4-week period ended April 22, there was an 18.7 percent increase over the corresponding 1954 period.

Even after the Senate Finance Committee decided on February 26 to accept the recommendations of the President's Fuel Committee in respect to oil imports, foreign residual continued to inundate the fuel markets of the east coast.

For the 4-week period ended May 27, receipts of this fuel were 21 percent over last year's mark.

Mr. President, I think that the importers of residual oil are giving both Congress and the executive department cause for concern. While it may be too early to assume that the stipulation incorporated in H. R. 1 is being disregarded by the importers, it is nevertheless apparent that they are entirely too slow in complying with the Government's intent.

In order to get down under the limit for the year as a whole, there will have to be some drastic cutbacks in the remaining months, and I believe that officials of the importing companies would be well advised to lose no time in planning their immediate and future schedules accordingly.

I plan to make another report on this matter in another month or 5 weeks and I trust that the news will be much more favorable at that time.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the call of the calendar. The Secretary will state the first measure in order.

AMENDMENT OF RULE XXV OF THE STANDING RULES OF THE SENATE

The resolution (S. Res. 17) to amend rule XXV of the standing rules of the Senate was announced as first in order.

Mr. BIBLE. Mr. President, I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

CONSTRUCTION OF FRYINGPAN-ARKANSAS PROJECT, COLORADO

The bill (S. 300) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado, was announced as next in order.

Mr. HRUSKA. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

BILLS, ETC., PASSED OVER

The bill (S. 256) to eliminate cumulative voting of shares of stock in the election of directors of national banking associations unless provided for in the articles of association, was announced as next in order.

Mr. ERVIN. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 669) to provide an elected mayor, city council, school board, and nonvoting delegate to the House of Representatives for the District of Columbia, and for other purposes, was announced as next in order.

Mr. BIBLE. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 184) to make certain changes in the regulation of public utilities in the District of Columbia, and for other purposes, was announced as next in order.

Mr. ERVIN. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1633) relating to a constitutional convention in Alaska was announced as next in order.

Mr. ERVIN. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 35) providing for a study of merchant marine training and education in the United States was announced as next in order.

Mr. ERVIN. Mr. President, I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 51) to amend the act entitled "To confer jurisdiction on the States of California, Minnesota, Nebraska, Oregon, and Wisconsin, with respect to criminal offenses and civil causes of action committed or arising on Indian reservations within such States, and for other purposes," was announced as next in order.

Mr. HRUSKA. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 922) to amend the Domestic Minerals Program Extension Act of 1953, in order to further extend the program to encourage the discovery, development, and production of certain domestic minerals, was announced as next in order.

Mr. WILLIAMS. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 31) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President was announced as next in order.

Mr. HRUSKA. Mr. President, I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

ROSETTA ITTNER

The bill (S. 85) for the relief of Rosetta Ittner was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Rosetta Ittner may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

WILHELMINE SCHELTER

The bill (S. 86) for the relief of Wilhelmine Schelter was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Wilhelmine Schelter may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

FERNANDA MILANI

The bill (S. 101) for the relief of Fernanda Milani was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Fernanda Milani shall be held and considered to have been lawfully admitted to the United State for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANA P. COSTES

The bill (S. 117) for the relief of Ana P. Costes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ana P. Costes shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to

deduct one number from the appropriate quota for the first year that such quota is available.

RENZO PETRONI

The bill (S. 137) for the relief of Renzo Petroni was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Renzo Petroni shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

THOMAS KUNHYUK KIM

The bill (S. 142) for the relief of Thomas Kunhyuk Kim was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Thomas Kunhyuk Kim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

DR. AND MRS. HENRI REVILLIOD

The bill (S. 160) for the relief of Dr. and Mrs. Henri Revilliod was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. and Mrs. Henri Revilliod shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

IVAN POWELL

The bill (S. 161) for the relief of Ivan Powell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ivan Powell shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ROSA TOMASINA MARIA PUGLISI (ROSA TOMASINA MARIA SANO)

The bill (S. 174) for the relief of Rosa Tomasina Maria Puglisi (Rosa Tomasina Maria Sano) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Rosa Tomasina Maria Puglisi (Rosa Tomasina Maria Sano) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PORFIRIO PUNCIANO VILA, HIS WIFE AND CHILDREN

The bill (S. 177) for the relief of Porfirio Punciano Vila, his wife, Tatiana Abatooroff Vila, and children, Porfirio P. Vila, Jr., Anne Marie Vila, and Josephine Anne Vila was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Porfirio Punciano Vila, his wife, Tatiana Abatooroff Vila, and children, Porfirio P. Vila, Jr., Anne Marie Vila, and Josephine Anne Vila shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

MANHAY WONG

The bill (S. 181) for the relief of Manhay Wong was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Manhay Wong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

KRESTE FANTULIN

The bill (S. 190) for the relief of Kreste Fantulin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Kreste Fantulin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

VINCENZO SANTAGATA

The bill (S. 197) for the relief of Vincenzo Santagata was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Vincenzo Santagata, who lost United States citizenship under the provisions of section 404 (a) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Vincenzo Santagata shall have the same citizenship status as that which existed immediately prior to its loss.

FILLIPO MASTROIANNI

The bill (S. 198) for the relief of Fillipo Mastroianni was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That Fillipo Mastroianni, who lost United States citizenship under the provisions of section 404 (a) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Fillipo Mastroianni shall have the same citizenship status as that which existed immediately prior to its loss.

AHMET SUAT MAYKUT

The bill (S. 214) for the relief of Ahmet Suat Maykut was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ahmet Suat Maykut shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

GIUSSEPINA CERVI

The bill (S. 254) for the relief of Giussepina Cervi was considered, ordered to be engrossed for a third read-

ing, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Giussepina Cervi, shall be held and considered to be the natural-born alien child of Sergeant John Louis Troiano, a citizen of the United States.

VESA REIJO LUUKKONEN

The bill (S. 324) for the relief of Vesa Reijo Luukkonen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Vesa Reijo Luukkonen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ELVIRA TOCCHIO ANZEDEI

The bill (S. 325) for the relief of Elvira Tocchio Anzedei was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Elvira Tocchio Anzedei shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

GUISEPPE BERTOLANI (GINO MANCINI)

The bill (S. 340) for the relief of Guiseppe Bertolani (Gino Mancini) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Guiseppe Bertolani (Gino Mancini) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

RICHARD KARL HOFFMAN

The bill (S. 345) for the relief of Richard Karl Hoffman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Richard Karl Hoffman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

XARALAMPOS JIANNOULOS, ALSO KNOWN AS HARRY NOULIS

The bill (S. 354) for the relief of Xaralampos Jiannoulos, also known as Harry Noulis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Xaralampos Jiannoulos, also known as Harry Noulis, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

RALPH PICCOLO (RAFFAELE PICCOLO)

The bill (S. 360) for the relief of Ralph Piccolo (Raffaele Piccolo) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ralph Piccolo (Raffaele Piccolo) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

MARIA STELA LEITAO

The bill (S. 367) for the relief of Maria Stela Leitao was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria Stela Leitao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARCELINA ANDERSON

The bill (S. 368) for the relief of Marcelina Anderson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Marcelina Anderson shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ELENA SPACAPAN

The bill (S. 369) for the relief of Elena Spacapan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Elena Spacapan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

GEORGE J. ATHANASSOPOULOS

The bill (S. 387) for the relief of George J. Athanassopoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, George J. Athanassopoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PETRE AND LIUBITZA IONESCU

The bill (S. 388) for the relief of Petre and Liubitza Ionescu was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Petre and Liubitza Ionescu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

SERGIO I. VEIRA

The bill (S. 389) for the relief of Sergio I. Veira was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sergio I. Veira shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year such quota is available.

THERESA POK LIM KIM

The bill (S. 396) for the relief of Theresa Pok Lim Kim was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Theresa Pok Lim Kim, the fiance of Anthony F. Pampalone, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months, if the administrative authorities find (1) that the said Theresa Pok Lim Kim is coming to the United States with a bona fide intention of being married to the said Anthony F. Pampalone, and (2) that she is found otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Theresa Pok Lim Kim, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Theresa Pok Lim Kim, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Theresa Pok Lim Kim as of the date of the payment by her of the required visa fee.

EDITH WINIFRED LOCH

The bill (S. 470) for the relief of Edith Winifred Loch was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Edith Winifred Loch, a British subject who was born in India of British parents, shall be deemed to have been born in Great Britain.

MARIA GABRIELLA BYRON (MARIA GABRIELLA MICHON)

The bill (S. 498) for the relief of Maria Gabriella Byron (Maria Gabriella Michon) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria Gabriella Byron (Maria Gabriella Michon) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARY GOODYEAR BROWN

The bill (S. 1867) for the relief of Mary Goodyear Brown was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Mary Goodyear Brown, who lost United States citizenship under the provisions of section 401 (e) of the Nationality Act of 1940, may be naturalized by taking, prior to 1 year after the date of enactment of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such act. From and after naturalization under this act, the said Mary Goodyear Brown shall have the same citizenship status as that which existed immediately prior to its loss.

MARTIN ALOYSIUS MADDEN

The Senate proceeded to consider the bill (S. 541) for the relief of Martin Aloysius Madden, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Martin Aloysius Madden. From and after the date of enactment of this act, the said Martin Aloysius Madden shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALDO TIMOSSI

The Senate proceded to consider the bill (S. 477) for the relief of Aldo Timossi, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "act," to insert a colon and *"Provided,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of sections 212 (a) (3) and 212 (a) (17) of the Immigration and Nationality Act, Aldo Timossi may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KLARA ANNA MARIA FLEISCHER

The Senate proceeded to consider the bill (S. 346) for the relief of Klara Anna Maria Fleischer, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Klara Anna Maria Fleischer, the fiancée of Cpl. Richard Peter Maille, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided,* That the administrative authorities find that the said Klara Anna Maria Fleischer is coming to the United States with a bona fide intention of being married to the said Cpl. Richard Peter Maille and that she is found otherwise admissible under the provisions of the Immigration and Nationality Act other than the provision of section 212 (a) (9) of that act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act. In the event that the marriage between the above-named persons does not occur within 3 months after the entry of the said Klara Anna Maria Fleischer, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Klara Anna Maria Fleischer, the Attorney General is authorized and directed to record this lawful admission for permanent residence of the said Klara Anna Maria Fleischer as of the date of the payment by her of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LEOPOLDINE MARIA LOFBLAD

The Senate proceeded to consider the bill (S. 326) for the relief of Leopoldine Maria Lofblad, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "act", to insert a colon and *"Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (3) of the Immigration and Nationality Act, Leopoldine Maria Lofblad may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARGARITA OY WAN CHAN

The Senate proceeded to consider the bill (S. 284) for the relief of Margarita Oy Wan Chan, which had been reported from the Committee on the Judiciary, with an amendment, in line 8, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Margarita Oy Wan Chan (Oy Wan Leung) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 235) for the relief of Melanie Schaffner Baker was announced as next in order.

Mr. HRUSKA. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MRS. THERES SCHICKL DUTTON AND DAUGHTER LAURA THERESIA SCHICKL

The Senate proceeded to consider the bill (S. 111) for the relief of Mrs. Theres Schickl Dutton and daughter, Laura Theresia Schickl, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "visa", to strike out "fee" and insert "fees", and following this amendment, to strike out "Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quotas for the first year that such quotas are available.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Theres Schickl Dutton, and daughter, Laura Theresia Schickl, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL INDEFINITELY POSTPONED

The bill (S. 287) for the relief of Melitta Elizabeth Rhone, was announced as next in order.

Mr. KILGORE. Mr. President, on behalf of the Senator from North Dakota [Mr. LANGER], I move that the bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUONAVENTURA GIANNONE

The bill (H. R. 3020) for the relief of Buonaventura Giannone was considered, ordered to a third reading, read the third time, and passed.

CHEN CHIH-KEUI

The bill (H. R. 1656) for the relief of Chen Chih-Keui was considered, ordered to a third reading, read the third time, and passed.

ROSA MARIE PHILLIPS

The bill (H. R. 1487) for the relief of Rosa Marie Phillips was considered, ordered to a third reading, read the third time, and passed.

KYUNG HO PARK (SYUNG SIL PARK) AND HIS WIFE, MRS. YOUNG SIL LEE

The bill (H. R. 970) for the relief of Kyung Ho Park (Syung Sil Park) and his wife, Mrs. Young Sil Lee, was considered, ordered to a third reading, read the third time, and passed.

ALBERTO CORTEZ CORTEZ

The bill (H. R. 891) for the relief of Alberto Cortez Cortez was considered, ordered to a third reading, read the third time, and passed.

WENCENTY PETER WINIARSKI

The Senate proceeded to consider the bill (H. R. 1660) for the relief of Wencenty Peter Winiarski, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

OVERSEAS NAVIGATION CORP.

The Senate proceeded to consider the bill, H. R. 5196, for the relief of the Overseas Navigation Corp. which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 5, after the word "of", to strike out "$12,500" and insert "$10,000"; and on page 2, line 2, after the word "take", to strike out "delivery. Such amount is the decision of the United States Court of Claims in its findings of fact dated March 1, 1955:" and insert "delivery: *Provided,*".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF VICTOR HELFENBEIN

The Senate proceeded to consider the bill, H. R. 5078, for the relief of the estate of Victor Helfenbein, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the word "of", where it appears the first time, to strike out "$6,500" and insert "$3,500"; and in line 10, after the State "New York", to strike out "*Provided,* That no part of the amount appropriated in this bill in excess of 10 percent thereof shall be paid or directed to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim" and in lieu thereof, to insert "*Provided,* That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JOSEPH JERRY EARL SIROIS (ALSO KNOWN AS JEREMIE EARL SIROIS)

The bill (S. 38) for the relief of Joseph Jerry Earl Sirois (also known as Jeremie Earl Sirois) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Joseph Jerry Earl Sirois (also known as Jeremie Earl Sirois). From and after the date of enactment of this act, the said Joseph Jerry Earl Sirois (also known as Jeremie Earl Sirois) shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

GUISEPPE AGOSTA

The bill (S. 47) for the relief of Guiseppe Agosta was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Guiseppe Agosta shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

IRENE C. (KARL) BEHRMAN

The bill (S. 92) for the relief of Irene C. (Karl) Behrman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Irene C. Karl Behrman, the sum of $3,194.39, in full satisfaction of her claim against the United States for compensation for loss of certain personal property resulting from her forced evacuation, on or about June 26, 1950, from Seoul, Korea, where she was serving as a service club director with the Special Services Section, United States Army Forces: *Provided,* That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney

on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ELKAY MANUFACTURING CO., OF CHICAGO, ILL.

The bill (S. 135) for the relief of the Elkay Manufacturing Co., of Chicago, Ill., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Elkay Manufacturing Co., of Chicago, Ill., the sum of $5,190.15. The payment of such sum shall be in full satisfaction of all claims of the said Elkay Manufacturing Co. against the United States for additional compensation under the contract numbered SAPH 55725 (NIH), between such company and the National Institutes of Health, for the construction of certain stainless steel dog and monkey cages. Such sums plus the amount of compensation heretofore received by the Elkay Manufacturing Co. represents the actual costs incurred by it in manufacturing such cages, it having submitted its bid under the erroneous impression that each unit to be manufactured was to consist of only 1 cage, whereas in fact each unit was to consist of 2 cages: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MR. AND MRS. FRANK GOTO

The bill (S. 187) for the relief of Mr. and Mrs. Frank Goto was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding section 2 (a) of the act of July 2, 1948, as amended (62 Stat. 1231; 50 U. S. C. App. 1982 (a)), the Attorney General is authorized and directed to determine under such act any claim presented by Mr. and Mrs. Frank Goto within 12 months after the date of enactment of this act, but nothing contained in this act shall be construed as an inference of liability on the part of the United States Government.

LAURIE DEA HOLLEY AND THE LEGAL GUARDIAN OF KARMEN LAEL HOLLEY, MINOR CHILD

The bill (S. 1020) for the relief of Laurie Dea Holley and the legal guardian of Karmen Lael Holley, minor child was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Laurie Dea Holley, of Cannonville, Utah, the sum of $5,000, and to the legal guardian of Karmen Lael Holley, minor child, $20,000, in full satisfaction, except as provided in section 2 of this act, of their claim against the United States for the death of their husband and father, Elmer Leroy Holley, who was fatally injured in an accident which occurred on November 29, 1953, while he was engaged in the performance of his duties as an employee of the United States Senate Post Office.

SEC. 2. This act or any payment made in accordance with its provisions shall not have the effect of destroying or changing any rights to compensation under the provisions of the Federal Employees' Compensation Act resulting from such death.

SEC. 3. No part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ANN ARBOR CONSTRUCTION CO.

The Senate proceeded to consider the bill (S. 1033) for the relief of the Ann Arbor Construction Co., which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 11, after the word "act", to strike out "in excess of 15 percent thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Ann Arbor Construction Co., a construction supplies corporation, of Ann Arbor, Mich., the sum of $8,953.73 in accordance with the opinion and the findings of fact certified by the Court of Claims to the Congress pursuant to Senate Resolution 224, 82d Congress, 1st session: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 175) to provide for the relief of Milton Beatty, and others by providing for determination and settlement of certain claims of former owners of lands and improvements purchased by the United States in connection with the Canyon Ferry Reservoir project, Mont., was announced as next in order.

Mr. HRUSKA. Mr. President, I ask that the bill go over to the next calendar call.

The PRESIDING OFFICER. The bill will be passed over to the next call of the calendar.

L. S. GOEDEKE

The bill (H. R. 1002) for the relief of L. S. Goedeke was considered, ordered to a third reading, read the third time, and passed.

SHIRLEY W. ROTHRA

The bill (H. R. 1974) for the relief of Shirley W. Rothra was considered, ordered to a third reading, read the third time, and passed.

MARY ROSE AND MRS. ALICE ROSE SPITTLER

The bill (H. R. 2236) for the relief of Mary Rose and Mrs. Alice Rose Spittler was considered, ordered to a third reading, read the third time, and passed.

HAROLD C. NELSON AND DEWEY L. YOUNG

The Senate proceeded to consider the bill (H. R. 903) for the relief of Harold C. Nelson and Dewey L. Young, which had been reported from the Committee on the Judiciary with an amendment on page 2, at the beginning of line 2, to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. LORENZA O'MALLEY (DE AMUSATEGUI), AND OTHERS

The Senate proceeded to consider the bill (H. R. 1003) for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 5, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ROBERT H. MERRITT

The Senate proceeded to consider the bill (H. R. 1202) for the relief of Robert H. Merritt, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the word "act", to insert a colon and "*Provided*, That no benefits except hospital and medical expenses actually incurred shall accrue for any period of time prior to the date of enactment of this act."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DAVID R. CLICK

The Senate proceeded to consider the bill (H. R. 1400) for the relief of David R. Click, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 4, after the

name "Click", to insert "of Woodville, Ala."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EWING CHOAT

The Senate proceeded to consider the bill (H. R. 1401) for the relief of Ewing Choat, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 2, after the word "act", to strike out "in excess of 10 percent thereof."

Mr. SPARKMAN. Mr. President, the amendment is to strike out the provision relating to the payment of the usual 10 percent attorney's fee. As I understand, it is the rule of the Committee on the Judiciary that a showing must be made in order that a person may be entitled to the payment of an attorney's fee.

The bill was introduced in the House by Representative ALBERT RAINS, of Alabama. Only yesterday I received a letter from Representative RAINS, after I had called the matter to his attention, in which he explained that the services of a lawyer were used in this case, a lawyer whose name and address he gave me and whom I know to be a reputable attorney.

Representative RAINS stated that the bill was introduced at the request of the United States parole officer, who knew of the injury to the claimant. Mr. RAINS said that he tried over a long period of time to get the information and to have the papers prepared properly for the purpose of introducing the bill, but that he was never successful in doing so, because of the lack of understanding on the part of the person concerned.

Finally Representative RAINS himself directed the person to procure a lawyer to prepare the papers for him. I have a letter from the Representative to that effect, in which he gives the name and address of the lawyer.

It seems to me that in this case, certainly, the lawyer's fee should be paid. I fully understand and commend the committee's rule, but I feel that in all equity and fairness the amendment ought not to be agreed to. I should like to ask the committee to accept the letter of Representative RAINS as a showing that the payment of the fee in this instance is justifiable. In the event the letter is not acceptable, then, rather than to have the amendment agreed to, I should like to have the bill go over without prejudice, in order that a proper showing may be made as to the legitimate use of the lawyer in this particular case.

Mr. KILGORE. Mr. President, it has been approximately 2 years since the Senate Committee on the Judiciary reached agreement on a policy pertaining to attorneys' fees in claims cases. The Senate receives many bills in which a 10 percent provision is included for the payment of a nonexistent lawyer or agent. Actually in some sections of the country requests for such fees have become quite frequent.

So the committee agreed that unless a showing were made that work had been done by an attorney or an agent in assisting a person to make his claim, the committee would strike out such fee provision from the bill.

Within the last 2 or 3 days the House returned to the Senate a bill pertaining to a case in which there was evidence that no agent or lawyer was engaged. Yet the House still wanted the fee provision to remain in the bill. When the bill came back to the Senate, I asked for a conference, because I believe we are right in our stand.

In the case of the bill now being considered, there is evidence to warrant the payment of a fee; but I do not understand why that evidence was not presented to the Committee on the Judiciary for consideration along with the bill and the claim.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. KILGORE. I think I shall go along with the Senator from Alabama.

Mr. SPARKMAN. I was about to plead ignorance on my part. Even though the rule has been in existence for two years, I must confess that I did not know there was such a rule, otherwise I certainly would have submitted the evidence.

Mr. KILGORE. The evidence was not mentioned in the report of the House committee. No showing was made that any attorney or agent had been employed in the case. For that reason, the Senate Committee on the Judiciary, in accordance with its custom, struck out the fee provision.

What I have said is not intended as a reflection on my colleague, the junior Senator from Alabama. Now that a showing has been made, I ask unanimous consent that the Presiding Officer may order the letter referred to by the Senator from Alabama to be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 12, 1955.

Hon. EDD HYDE,
Secretary to Senator John Sparkman,
Senate Office Building.

DEAR EDD: I appreciate very much your letter of June 9, concerning the Choat bill and the Click bill.

I am pleased, of course, with the favorable action of the Senate Judiciary Committee, but I am quite disturbed with the Senate amendments, especially in the Choat case. You will recall that I introduced the Choat bill at the request of the United States parole officer, who knew of his injury, and yet, over a good many years I was never able to get Choat to furnish me statements as to how his injury occurred, and to give me the necessary evidence upon which to support the bill, all because he is almost an illiterate person. In order to get the information, it was necessary for me to tell Choat to go to a lawyer to prepare all of the evidence for his case. All of this work, and it entailed quite a bit of effort, was done by Ralph Smith, of Guntersville. I do not think he should be prevented from getting what is accepted as a very minimum attorneys fee, as provided in the House bill. In fact, all of the private bills which I have noticed, which have come through over here, carry the provision which was in the House bill. In the light of these facts, I will appreciate it if you will ask the Senator to see what he can do, especially on the Choat bill, about retaining the Attorneys amendment, since other than for the work by the attorney, Choat would not have been able to have his bill passed.

With all good wishes, I am

Sincerely yours,

ALBERT RAINS.

Mr. KILGORE. Mr. President, the letter of explanation having been placed in the RECORD, I offer no objection to disagreeing to the amendment and letting the bill pass as it came from the House.

The PRESIDING OFFICER. Is it the understanding of the Chair that it is now the wish of the Senator from West Virginia that the Senate disagree to the committee amendment?

Mr. KILGORE. I offer no objection. While I have not consulted with the other members of the committee, I think sufficient evidence has been presented to justify the rejection of the amendment.

Mr. PURTELL. Mr. President, reserving the right to object, and I shall not object, I should like the RECORD to show that it is clearly understood that the action taken in this instance will not be considered to be a precedent, in the light of what the committee has done in the past with respect to the payment of fees to lawyers in claims cases.

Mr. KILGORE. I have made my statement to establish the fact that this action will not constitute a precedent. In withdrawing from our position in this instance, it is understood that we are not abrogating our policy.

Mr. PURTELL. In the light of what the RECORD now establishes, I offer no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

The bill was ordered to a third reading, read the third time, and passed.

H. W. ROBINSON & CO.

The Senate proceeded to consider the bill (H. R. 1409) for the relief of H. W. Robinson & Co., which had been reported from the Committee on the Judiciary, with an amendment on page 2, line 4, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CONSTANTINE NITSAS

The Senate proceeded to consider the bill (H. R. 1640) for the relief of Constantine Nitsas, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FREDERICK F. GASKIN

The Senate proceeded to consider the bill (H. R. 1692) for the relief of Frederick F. Gaskin, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 11, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

UTICA BREWING CO.

The Senate proceeded to consider the bill (H. R. 1747) for the relief of the Utica Brewing Co., which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 9, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. DIANA P. KITTRELL

The Senate proceeded to consider the bill (H. R. 2456) for the relief of Mrs. Diana P. Kittrell, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 10, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ALBERT VINCENT, SR.

The Senate proceeded to consider the bill (H. R. 2529) for the relief of Albert Vincent, Sr., which had been reported from the Committee on the Judiciary, with an amendment, on page 2, at the beginning of line 2, to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF WILIAM B. RICE

The Senate proceeded to consider the bill (H. R. 2760) for the relief of the estate of William B. Rice, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Sally Rice, of Rockaway Beach, N. Y., the sum of $2,000 in full settlement of all her claims against the United States arising out of the failure of the Department of the Army, Class E Allotment Section, to forward premiums to the Pioneer American Insurance Co., Houston, Tex., on a life-insurance policy issued by that company to her son, William B. Rice, RA-12296456 (George Rice, Jr.), deceased, prior to the last day of grace as authorized to do so under the law: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Mrs. Sally Rice."

THOMAS F. HARNEY, JR., DOING BUSINESS AS THE HARNEY ENGINEERING CO.

The Senate proceeded to consider the bill (H. R. 2907) for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co., which had been reported from the Committee on the Judiciary with an amendment on page 2, line 9, after the word "claimant", to insert a colon and *"Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HERBERT ROSCOE MARTIN

The Senate proceeded to consider the bill (H. R. 3281) for the relief of Herbert Roscoe Martin, which had been reported from the Committee on the Judiciary, with an amendment on page 2, line 2, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LOUIS ELTERMAN

The Senate proceeded to consider the bill (H. R. 3958) for the relief of Louis Elterman, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 11, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ORRIN J. BISHOP

The Senate proceeded to consider the bill (H. R. 4249) for the relief of Orrin J. Bishop, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 9, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THEODORE J. HARRIS

The Senate proceeded to consider the bill (H. R. 4714) for the relief of Theodore J. Harris, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 8, after the word "refund", to insert a colon and *"Provided, however*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HUSSEIN KAMEL MOUSTAFA

The Senate proceeded to consider the bill (H. R. 1069) for the relief of Hussein Kamel Moustafa, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 6, after the name "Moustafa", to insert "of Los Angeles, Calif.", and in line 10, after the word "act", to strike out "in excess of 10 percent thereof."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

J. B. PHIPPS

The Senate proceeded to consider the bill (H. R. 1416) for the relief of J. B. Phipps, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 11, after the numerals "1944", to insert a colon and *"Provided*, That no part of the amount provided for in this act shall be subject to any claim or reimbursement to any insurance company, or compensation insurance fund, which may have paid any amount to the claimant herein by reason of the injuries incurred: *And provided*

further", and on page 2, at the beginning of line 6, to strike out "in excess of 10 percent thereof."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF JAMES F. CASEY

The Senate proceeded to consider the bill (H. R. 1643) for the relief of James F. Casey, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 5, after the name "Casey", to insert "service number 33317739, private, first class, deceased, late of 2603 Memphis Street, Philadelphia 25, Pennsylvania,", and on page 2, line 3, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. HRUSKA. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement concerning the situation presented by this type of bill. It is not an objection to the bill itself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON H. R. 1643 (CAL. 499) FOR THE RELIEF OF THE ESTATE OF JAMES F. CASEY

As reported to the Senate, this bill would award the estate of James F. Casey $881, which was the amount of a check made payable to the deceased on the basis of an award by the War Claims Commission on his claim for prisoner of war benefits.

The claim was allowed and certified for payment August 21, 1953. Claimant died September 28, 1953. The check issued in payment of the claim was returned and canceled.

Mr. Casey's only survivors are three brothers, and under the law brothers do not qualify to receive a reissuance of the check nor is there provision for payment of such proceeds to a decedent's estate. Section 6 (c) of the War Claims Act of 1948, as amended, provides for payment of survivorship claims only to a widow or a dependent husband, to children, or to parents.

The Republican Calendar Committee is constrained to agree with the conclusion of the Committee on the Judiciary that in a case such as this, where the only reason the check was not cashed was due to illness and subsequent death, the estate should be awarded the proceeds.

It is believed, however, that such relief should not be limited to a single case but that the War Claims Act should be amended to permit payment in similar cases that may arise in the future, without need for a private bill.

GEORGE L. F. ALLEN

The Senate proceed to consider the bill (H. R. 3045) for the relief of George L. F. Allen, which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 4, after the word "shall", to strike out "reimburse" and insert "pay"; at the beginning of line 7, to strike out "which would have been paid him" and insert "allowable"; and in line 11, after the name "Allen", to insert a colon and *"Provided,* That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS IN THE TURTLE MOUNTAIN INDIAN RESERVATION

The bill (S. 1397) providing for the conveyance to St. Mary's Mission of certain lands in the Turtle Mountain Indian Reservation was announced as next in order.

The PRESIDING OFFICER. The Chair calls attention to the fact that the bill just reached on the calendar is the unfinished business. Is there objection to the Senate resuming consideration of the bill at this time?

There being no objection, the Senate resumed the consideration of the bill, which had been reported from the Committee on Interior and Insular affairs with amendments.

The PRESIDING OFFICER. The amendments reported by the Committee on Interior and Insular Affairs will be stated.

The amendments were on page 1, line 5, after the name "Saint", to strike out "Mary's Mission, Dunseith, North Dakota" and insert "Louis Church of Dunseith, Dunseith, North Dakota", and in line 9, after the word "lands", to strike out "located on the Turtle Mountain Indian Reservation", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to transfer, with the consent of the Turtle Mountain Advisory Committee, to St. Louis Church of Dunseith, Dunseith, N. Dak., all right, title, and interest of the United States and of the Turtle Mountain Band of Chippewa Indians in and to the following-described lands: The east half of the southeast quarter of the southeast quarter of the southwest quarter, and the west half of the southwest quarter of the southwest quarter of the southeast quarter, of section 18, township 162 north, range 72 west, fifth principal meridian, excepting and reserving therefrom 100 feet along the section line for highway purposes.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill providing for the conveyance of certain lands to St. Louis Church of Dunseith, Dunseith, N. Dak."

Mr. YOUNG subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared with regard to Calendar No. 501, Senate bill 1397, which was passed a while ago.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YOUNG

The St. Mary's Indian Mission at Dunseith, N. Dak., was organized in 1948 at which time a church was erected. The mission is under the direction of Father Francis J. Lorscheid who came to that area from Milwaukee, Wis., 10 years ago.

The purpose of the mission is to administer to the religious needs and sometimes the physical needs of the Turtle Mountain Band of Chippewa Indians, a band of some 500 members.

Father Lorscheid declares the situation of the Indians in that area is a very tragic one. In seeking title to the lands as described in S. 1397, Father Lorscheid's principal purpose is to obtain clearance for the erection of a building.

This building would be in the form of a community hall with a kitchen, sewing room, and living quarters for 3 or 4 sisters who are Indian teachers. If the title to the land is transferred to the mission, it is hoped the money for the construction of the building will be obtained from the citizens of North Dakota.

Father Lorscheid says there is a great deal of unemployment in the area of his mission. He says many of the Indian ladies are not able to keep house and otherwise are unable to take care of themselves and their families adequately.

Father Lorscheid states the problem is more acute now than it was 10 years ago. He feels the acquisition of the land and the eventual construction of a building will aid immeasurable in improving the living standards of the Chippewa Tribe.

At the present time the mission is staffed by five sisters in addition to Father Lorscheid. The sisters also spend part of their time at the parish and in work at a nearby TB sanatorium. Father Lorscheid is doing wonderful work in assisting the Indian population in his area, and it would seem to me that passage of this bill will aid immeasurably in improving the lot of the Indians in the St. Mary's Indian mission area.

CONVEYANCE OF CERTAIN LANDS TO MILES CITY, MONT.

The bill (S. 1878) to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the act entitled "An act to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes," approved June 16, 1950 (64 Stat. 233), is amended by striking out "5 years" in inserting in lieu thereof "10 years."

NET TONNAGE COMPUTATIONS

The bill (S. 1790) to amend section 4153 of the Revised Statutes, as amended, to authorize more liberal propelling-power allowances in computing the net tonnages of certain vessels was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subdivision (f) of section 4153 of the Revised Statutes, as amended (U. S. C., 1952 ed., title 46, sec. 77 (f)), is further amended to read as follows:

"(f) In the case of a vessel which is screw propelled in whole or in part, the following

deduction shall be made for the space occupied by the propelling machinery:

"(1) Thirty-two thirteenths times the tonnage of the propelling-machinery space, if the tonnage of that space is not more than 13 percent of the gross tonnage of the vessel and if that space is reasonable in extent: *Provided, however,* That, in lieu thereof, the deduction shall be 1¾ times the tonnage of the propelling-machinery space, in the case of a vessel the construction of which was commenced on or before the date of enactment of this act, if the owner so elects;

"(2) Thirty-two percent of the gross tonnage of the vessel, if the tonnage of the propelling-machinery space is more than 13 percent and less than 20 percent of the gross tonnage of the vessel; or

"(3) Thirty-two percent of the gross tonnage of the vessel or 1¾ times the tonnage of the propelling-machinery space, whichever the owner of the vessel elects, if the tonnage of that space is 20 percent or more of the gross tonnage of the vessel."

SEC. 2. Subdivision (g) of section 4153 of the Revised Statutes, as amended (U. S. C., 1952 ed., title 46, sec. 77 (g)), is further amended to read as follows:

"(g) In the case of a vessel which is propelled in whole or in part by paddle wheels, the following deduction shall be made for the space occupied by the propelling machinery:

"(1) Thirty-seven twentieths times the tonnage of the propelling-machinery space, if the tonnage of that space is not more than 20 percent of the gross tonnage of the vessel and if that space is reasonable in extent: *Provided, however,* That, in lieu thereof, the deduction shall be 1½ times the tonnage of the propelling-machinery space, in the case of a vessel the construction of which was commenced on or before the date of enactment of this act, if the owner so elects;

"(2) Thirty-seven percent of the gross tonnage of the vessel, if the tonnage of the propelling-machinery space is more than 20 percent and less than 30 percent of the gross tonnage of the vessel; or

"(3) Thirty-seven percent of the gross tonnage of the vessel or 1½ times the tonnage of the propelling-machinery space, whichever the owner elects, if the tonnage of that space is 30 percent or more of the gross tonnage of the vessel."

CONVEYANCE OF CERTAIN REAL PROPERTY TO THE CITY OF RICHMOND, CALIF.

The bill (H. R. 4359) to amend the act of September 30, 1950 (64 Stat. 1096), to provide for the conveyance of certain real property to the city of Richmond, Calif., was considered, ordered to a third reading, read the third time, and passed.

PROMOTION OF PAUL A. SMITH, RETIRED, TO REAR ADMIRAL IN COAST AND GEODETIC SURVEY

The bill (H. R. 5146) to authorize the President to promote Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey on the retired list, to the grade of rear admiral (lower half) in the Coast and Geodetic Survey, with entitlement to all benefits pertaining to any officer retired in such grade, was considered, ordered to a third reading, read the third time, and passed.

INCREASED EFFICIENCY OF COAST AND GEODETIC SURVEY

The bill (H. R. 5398) to increase the efficiency of the Coast and Geodetic Survey, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

LIGHTS REQUIRED TO BE CARRIED BY MOTORBOATS

The Senate proceeded to consider the bill (S. 1791) to amend section 3 of the act of April 25, 1940 (54 Stat. 164), relating to the lights required to be carried by motorboats which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 1, line 7, after the word "the", to strike out "white light aft" and insert "combined lantern", and in line 18, after the word "the", to strike out "combined lantern" and insert "white light aft", so as to make the bill read:

Be it enacted, etc., That subsection (c) of section 3 of the act of April 25, 1940 (54 Stat. 164; U. S. C., 1952 edition, title 46, sec. 526b) is amended to read as follows:

"(c) Motorboats of classes A and 1 when propelled by sail alone shall carry the combined lantern, but not the white light aft, prescribed by this section. Motorboats of classes 2 and 3, when so propelled, shall carry the colored side lights, suitably screened, but not the white lights, prescribed by this section. Motorboats of all classes, when so propelled, shall carry, ready at hand, a lantern or flashlight showing a white light which shall be exhibited in sufficient time to avert collision."

SEC 2. Section 3 of the act is further amended by adding after subsection (d) thereof the following new subsections:

"(e) When propelled by sail and machinery any motorboat shall carry the lights required by this section for a motorboat propelled by machinery only.

"(f) Any motorboat may carry and exhibit the lights required by the Regulations for Preventing Collisions at Sea, 1948, act of October 11, 1951 (65 Stat. 406–420), as amended, in lieu of the lights required by this section."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PARTICIPATION OF THE UNITED STATES IN THE INTERNATIONAL FINANCE CORPORATION—BILL PASSED OVER

The bill (S. 1894) to provide for the participation of the United States in the International Finance Corporation was announced as next in order.

Mr. PURTELL. Mr. President, I consider this bill is not a proper measure to be considered on a call of the calendar. It involves a subscription by the United States Government of more than $35 million in public funds, and I suggest that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SURVEY OF PASSAMAQUODDY TIDAL POWER PROJECT

The Senate proceeded to consider the joint resolution (S. J. Res. 12) to authorize and direct the International Joint Commission of United States-Canadian boundary waters to make a survey of the proposed Passamaquoddy tidal power project, and for other purposes, which had been reported from the Committee on Foreign Relations, with amendments, on page 1, line 7, after the word "treaty", to strike out "is authorized and directed to make a survey" and insert "be requested by the Secretary of State to arrange for a survey to be made", and on page 2, line 24, after the numeral "4", to strike out "The International Joint Commission shall report the results of such survey to the Congress of the United States and to the Government of the Dominion of Canada" and insert "The Secretary of State shall report the results of such survey to the Congress of the United States", so as to make the joint resolution read:

Resolved, etc., That the International Joint Commission created by the treaty between the United States and Great Britain relating to boundary waters between the United States and Canada, signed at Washington on January 11, 1909, under the provisions of such treaty, be requested by the Secretary of State to arrange for a survey to be made to determine the cost of construction of the proposed Passamaquoddy tidal power project at Passamaquoddy Bay in the State of Maine, United States of America, and the Province of New Brunswick, Dominion of Canada, and to determine whether or not such cost would allow hydroelectric power to be produced at a price that is economically feasible, and also to determine what contribution such project would make to the national economy and the national defense.

SEC. 2. The survey provided for in the first section shall be consistent with the report (dated March 15, 1950) made by the International Passamaquoddy Engineering Board to the International Joint Commission, and with the supplemental report (dated May 1952) on details of estimate of cost of comprehensive investigation of Passamaquoddy tidal power project by Corps of Engineers, United States Army.

SEC. 3. The Secretary of the Army, the Federal Power Commission, and other officers and agencies of the Government of the United States are authorized to assist the International Joint Commission in the making of such survey, and shall be compensated for any work performed pursuant to this section out of such funds as may hereafter be appropriated for use by the International Joint Commission in carrying out this joint resolution.

SEC. 4. The Secretary of State shall report the results of such survey to the Congress of the United States.

SEC. 5. There is authorized to be appropriated not to exceed $3 million to carry out this joint resolution, and any sum appropriated pursuant to this section shall be included in any determination of the proportionate share of the cost of construction of the Passamaquoddy tidal power project to be borne by the United States.

The amendments were agreed to.

The joint resolution was ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to request the Secretary of State to arrange for the International Joint Commission, United States and Canada, to conduct a survey of the proposed Passamaquoddy tidal power project, and for other purposes."

INCLUSION OF FEDERAL-STATE SERVICE IN RETIREMENT COMPUTATION—BILL PASSED OVER

The bill (S. 1041) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes, was announced as next in order.

Mr. PURTELLL. Mr. President, I have no personal objection to this bill, but in view of the fact that the Civil Service Commission and the Budget Bureau have opposed it, I think it is not proper business to be considered on a call of the calendar, and I suggest that it be passed over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

DESERT LAND ENTRYMEN

The bill (S. 1177) for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the requirement of section 1 of the Desert Land Act of March 3, 1877 (19 Stat. 377), that the right to the use of water by a desert land entryman "shall depend upon bona fide prior appropriation" shall be waived in the case of all desert land entries which have heretofore been allowed and are subsisting on the effective date of this act, which are dependent upon percolating waters for their reclamation, and which are situated in States under the laws of which the percolating waters upon which the entries are dependent are not subject to the doctrine of prior appropriation.

PROTOTYPE AIRCRAFT DEVELOPMENT ACT

The bill (S. 2074) to extend for an additional 5 years the provisions of the act of September 30, 1950, entitled "An act to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 7 of the act of September 30, 1950 (64 Stat. 1090), is amended by striking out "five" and inserting in lieu thereof "ten."

ESTABLISHMENT, MAINTENANCE, AND OPERATION OF AIDS TO MARITIME NAVIGATION

The Senate proceeded to consider the bill (S. 1378) to clarify and consolidate the authority to require the establishment, maintenance, and operation of aids to maritime navigation on fixed structures in or over navigable waters of the United States, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 2, line 5, after the word "who", to strike out "willfully and knowingly", so as to make the bill read:

Be it enacted, etc., That section 85 of title 14, United States Code, is amended to read as follows:

"§ 85. Aids to maritime navigation on fixed structures; penalty

"The Secretary shall prescribe and enforce necessary and reasonable rules and regulations, for the protection of maritime navigation, relative to the establishment, maintenance, and operation of lights and other signals on fixed structures in or over navigable waters of the United States. Any owner or operator of such a structure, excluding an agency of the United States, who violates any of the rules or regulations prescribed hereunder, commits a misdemeanor and shall be punished, upon conviction thereof, by a fine of not exceeding $100 for each day during which such violation continues."

SEC. 2. Section 18 of the Federal Water Power Act, as amended (U. S. C., 1946 edition, title 16, sec. 811), is further amended by striking out the words "Secretary of War" in the first sentence and inserting in lieu thereof the words "Secretary of the Department in which the Coast Guard is operating."

SEC. 3. The analysis of chapter 5 of title 14, United States Code, immediately preceding section 81 of such title, is amended by striking out the item "85. Failure to maintain lights; penalty" and inserting in lieu thereof the following: "85. Aids to maritime navigation on fixed structures; penalty."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECONVEYANCE OF CERTAIN LANDS, ALBENI FALLS RESERVOIR

The bill (S. 598) to provide for adjustments in the lands or interest therein acquired for the Albeni Falls Reservoir project, Idaho, by the reconveyance of certain lands or interests therein to the former owners thereof was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a), in order to provide for adjustments in the lands or interests in land heretofore acquired for the Albeni Falls Reservoir project to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the project, the Secretary of the Army is authorized to reconvey any such land or interests in land heretofore acquired to the former owners thereof whenever (1) he shall determine that such land or interest is not required for public purposes, (2) he shall have received a written statement from such agency or person as may be designated by the Governor of the State of Idaho that the reconveyance of such property is in the best interest of the State, and (3) he shall have received an application for reconveyance as hereinafter provided.

(b) Any such reconveyance of any such land or interest shall be made only after the Secretary (1) has given notice, in such manner (including publication) as he shall by regulation prescribe, to the former owner of such land or interest, and (2) has received an application for the reconveyance of such land or interest from such former owner, in such form as he shall by regulation prescribe, within a period of 90 days following the date of issuance of such notice.

(c) Any reconveyance of land or interest therein made under this act shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest.

(d) Any land or interest therein reconveyed under this act shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements to the land made by the United States, and (2) any decrease in the value thereof resulting from (A) any reservation, exception, restriction, and condition to which the reconveyance is made subject, and (B) any damage to the land or interest therein caused by the United States. In addition, the cost of any surveys necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify (1) that notice has been given to the former owner of such land or interest as provided in subsection (b), and that no qualified applicant has made timely application for the reconveyance of such land or interest, or (2) that within a reasonable time after receipt of a proper application for reconveyance of such land or interest the parties have been unable to reach a satisfactory agreement with respect to the reconveyance of such land or interest.

(f) As used in this section, the term "former owner" means the person for whom any land, or interest therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children.

SEC. 2. The Secretary of the Army may delegate any authority conferred upon him by this act to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

SEC. 3. Any proceeds from reconveyances made under this act shall be available for use in administering the provisions of this act and any surplus shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 4. This act shall terminate 3 years after the date of its enactment.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, was announced as next in order.

Mr. STENNIS. Mr. President, the bill which was the unfinished business before the Senate proceeded to a call of the calendar, has been disposed of on the calendar call. The bill which was just called is the bill making appropriations for the Department of Commerce for the fiscal year 1956. It is proposed to take up that bill at the end of the call of the calendar, with the understanding there will be no vote on it today. The Senator from Delaware [Mr. WILLIAMS] is interested in the bill, and that agreement has been had with him, but it is expected the Senate will proceed to the consideration of the bill, so that the Senator from Florida may make a statement concerning it. Debate may take place on the bill, and amendments may be offered to it, but no vote will be taken on the bill today.

Mr. President, I move that the bill be made the pending order of business at the end of the call of the calendar.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to make the Department of Commerce appropriation bill the pending business at the close of the call of the calendar.

The motion was agreed to.

REMOVAL OF AN INEQUITY IN THE PAY OF CERTAIN POSTAL EMPLOYEES

The bill (H. R. 4659) to amend section 16 of the act entitled "An act to adjust the salaries of postmasters, supervisors, and employees in the field service of the

Post Office Department," approved October 24, 1951 (65 Stat. 632; 39 U. S. C. 876c), was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF FURTHER CALL OF THE CALENDAR

Mr. PURTELL. Mr. President, in view of the fact that the calendar committee on this side has not had an opportunity to study or review the reports on the four bills following on the calendar, I ask that the further call of the calendar be suspended.

The PRESIDING OFFICER. Without objection, the remaining bills on the calendar will go over to the next call of the calendar.

That completes the call of the calendar.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The PRESIDING OFFICER. Pursuant to the motion heretofore agreed to the Chair lays before the Senate the Department of Commerce appropriation bill.

Senate proceeded to consider the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I think the purpose of the quorum call has been served. Therefore, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Has unanimous consent been given for the Senate to proceed to vote today on the bill? Or am I correct in understanding that the eminent Senator from Florida [Mr. HOLLAND] will make a statement on the bill, and there will be such other discussion as Senators may wish to engage in, but the vote on the various items of the bill will be postponed until tomorrow?

The PRESIDING OFFICER. The understanding of the Senator from Illinois is correct.

Mr. HOLLAND. Mr. President, as the Senate begins the consideration of H. R. 6367, the bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, there are several points which I believe should be made clear.

The amount of the bill as reported to the Senate by the Senate Appropriations Committee is $1,314,617,300, which is $51,775,700 less than the budget estimates which were considered by the committee, although it is $190,932,300 more than the amount contained in the bill as it was passed by the House of Representatives.

However, much of the increase is more apparent than real. A total of $126,500,000 of the increase, for example, is for the payment of obligations of the United States which would have to be paid in any event. If the funds are not appropriated now, we shall merely have to vote supplemental funds in the spring.

This total includes an increase of $86,500,000 for liquidation of public road contracts made under authorizations provided in Federal highway acts, $80 million of which is for Federal-aid highway reimbursement to the States, and $6,500,000 is to pay the direct obligations of the Federal Government for building forest highways, under the accelerated contractual program approved in the Federal-Aid Highway Act of 1954.

There is an increase of $25 million for the operating differential subsidies due to be paid by the United States this year under contracts authorized by the Merchant Marine Act of 1936, as amended. There is also an increase of $15 million for the payments by the Civil Aeronautics Board to air carriers of their subsidies based upon the rates established under section 406 of the Civil Aeronautics Act, which subsidies must be paid by the United States after those rates are established by the Board in accordance with that act.

As already stated, those three items total $126,500,000, and in each case they cover obligations which must be paid in fiscal 1956 in order to keep our accounts on a current basis and in accordance with law. There are other items in the bill involving major increases over the House allowances.

First in size, we recommend an increase of $38,100,000 under maritime activities for ship construction. This will cover the total of the budget estimate, and it will continue the accelerated shipbuilding program for our merchant marine. Twenty-three million one hundred and fifty thousand dollars of the total will put back into the bill provision for 2 prototype cargo ships and 1 prototype high speed tanker which the Navy wants to try out and use, and which will directly contribute to our national defense.

Let me say at this point that this morning the chairman of the subcommittee received a letter under date of June 14, 1955, from the Acting Secretary of Commerce, Mr. Walter Williams, relating what he says was an unintentional oversight on the part of the Department of Commerce in requesting appropriations from the Senate committee. Under this request the Secretary of Commerce would have us write into the bill an additional authority for $375,000, which will be required, as he says, during the fiscal year 1956, in connection with salaries and expenses which are necessary and will be derived from the present total for the large program of ship construction covered by the budget and by the committee recommendations.

I ask unanimous consent that the letter from the Acting Secretary of Commerce be printed in the RECORD at this point as a part of my remarks, so that other Senators may have the opportunity, as will members of the committee, between now and tomorrow, to obtain information as to whether or not the requested item should be added.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D. C., June 4, 1955.

Hon. SPESSARD L. HOLLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR HOLLAND: When the proposed amendments to H. R. 6367, the bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, were submitted to the Senate Appropriations Subcommittee, the Maritime Administration, through an oversight, neglected to list an important and highly significant amendment.

This refers to the amount of the transfer which may be made to the appropriation "Salaries and expenses" for the fiscal year 1956 for administrative and warehouse expenses from the appropriation "Ship construction."

The requested restoration of $38,100,000 granted by the Senate Appropriations Committee included $600,000 for administrative and warehouse expenses related to the construction projects involved. Of this $600,000, $375,000 will be required during fiscal year 1956, and page 44 of our appeal material should have shown an appropriate amendment for page 10, line 8, of H. R. 6367. In order to permit an adequate level of administrative and warehouse activity for this program, it is respectfully requested that the amendment indicated below be presented when the bill is introduced in the Senate for floor action:

Page 10, line 19, strikeout "$900,000" and insert "$1,275,000."

I will greatly appreciate your cooperation and assistance in this matter.

Sincerely yours,

WALTER WILLIAMS,
Acting Secretary of Commerce.

Mr. HOLLAND. Mr. President, so far as I know, there is no other additional request pending for restoration of funds to the bill, aside from requests which have been specifically denied by the Senate Committee on Appropriations.

The second in size, included among the real increases which are recommended in the Senate bill, is the item for the Inter-American Highway. On March 31, 1955, the President recommended to the Congress that work on this highway be accelerated so that it might be completed in 3 years. The committee recommends $25,250,000, which is an increase of $17,250,000, for this purpose, and which covers the total unappropriated balance of the existing authorization through fiscal year 1956.

I think I should add, however, that since the date of the marking up of the bill the House itself has acted favorably upon the request of the President for an additional authorization. The House has passed a bill, H. R. 5923, which includes the additional authorization requested, and that bill is now in the Senate Committee on Public Works.

In the words of the Appropriations Committee report on this subject:

It is the sense of the committee that the interests of the Nation, our friendship for the

neighbor nations, the value of surface access to the Panama Canal, and many other mutual benefits dictate early completion of this highway. Even if the cost of the road is increased by accelerating its construction to completion in 3 years, as requested by the President, it is deemed to be so very much in our interest for the early realization of our objectives, in Latin American peace and in mutual economic benefit as to greatly outweigh the added cost.

Next in size, we propose an increase of $4,125,000 for the item "operation and regulation" in the Civil Aeronautics Administration. Again I quote from the report:

This recommendation is a result of careful consideration of the adverse effect on our growing civil and military aviation that would result from plans to discontinue certain aids to air navigation.

It was shown that, in connection with the submission of the Budget, the Civil Aeronautics Administration advised the Congress that it proposed to eliminate 31 of the currently operated facilities for affording safety in air travel. The committee discovered, when it requested the Civil Aeronautics Administration to let us know how the reductions in the budget, as voted by the House, would affect that program, that an additional 30 such stations would have to be closed, making 61 in all.

And I quote from the report:

Our recommendation—will permit facilities, constructed at Federal expense, and needed for the air-ground services that assure safety in aviation, to be operated. A lesser amount will result in closing facilities.

The committee in its report includes words directing the Civil Aeronautics Administration to make a report of its plan or program to the Congress, and to the appropriate committees, so that before we start the closing of operating facilities of the CAA which are making it possible for airplanes to operate in relative safety, we shall at least know what the program is, and in what direction it is proposed to go.

Next in size I mention that the bill would provide an increase of $2,100,000 for the Weather Bureau. With that increase, the committee recommends a provision which will require $4,250,000 to be used for improvement and operation of hurricane, severe storm, and tornado warning services, including research and facilities. This also would include the operation in the Gulf of Mexico of a weather ship during the hurricane season.

Much testimony was heard on proposals to provide increased amounts for this purpose, up to as much as $11 million, and several Senators spoke before or wrote to the committee in support of these increases. At least a dozen Members of the Senate express a very grave interest in this subject. I shall not attempt to place their names in the RECORD at this time, because they appear in the printed record of the hearings. However, practically all Senators from States along the seaboard, in New England, and along the gulf coast were directly interested in the program of increased effectiveness of hurricane warnings, and improvement of that service.

A large number of Senators from the States in the interior of the United States were equally interested in the improvement of the service of the Weather Bureau which gives warnings that tornadoes are likely to occur in announced areas from day to day during the period of the year when tornadoes are to be feared. Various bills on this subject have been introduced, some of them increasing the authorization to as much as $11 million. Various Senators spoke in support of increases of that size, and from that size all the way down.

The committee felt, after very carefully reviewing the situation and conferring with Commerce Department officials and many others, that the total recommendation of $4¼ million which we report for this service, approximately half of which amount was allowed by the House, and about half of which, or $2 million, was added by the Senate, would be about what could be properly used in the coming fiscal year. We think it constitutes a very large increase of the Weather Bureau's facilities and services in this field, in which so many Senators have expressed an interest.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the distinguished Senator from Rhode Island.

Mr. PASTORE. Is it true that the Weather Bureau of the Department of Commerce had originally asked for $10 million in this particular area?

Mr. HOLLAND. As the Senator from Florida understands the situation, the total for this appropriation requested by the Weather Bureau for inclusion in this bill was about $37 million. The committee has closely approximated that amount in the recommendation which it makes to the Senate, and has probably provided for the Weather Bureau almost all the money which was requested for the extension of the Weather Bureau services in this field. However, the Weather Bureau likewise requested for inclusion in another item in the bill an additional appropriation of $5 million, which is provided for by this bill.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. PASTORE. I am addressing myself to the comment made by the distinguished Senator from Florida to the effect that after careful consideration and after discussions, the appropriation for the Weather Bureau which was finally agreed upon and reported by the committee was a compromise figure on which all parties were in agreement. As I understand, the original request of the Weather Bureau in this particular area of their budget was about $10 million, and it was reduced to $5 million by the Bureau of the Budget, which is the figure which was provided by the House. The question I should like to ask the distinguished Senator from Florida is this: On what ground did the Weather Bureau justify its agreement to the compromise figure if initially it thought it needed $10 million?

Mr. HOLLAND. The Senator from Florida cannot categorically answer that question. However, he is perfectly willing to make available to the Senator from Rhode Island the justification as filed with the committee, which goes a great deal further than the testimony which was given before the committee by the acting director of the Weather Bureau.

Suffice it to say that the Senator from Florida believes that $4¼ million, the amount recommended by the committee, can be usefully used by the Weather Bureau, and that there is no question about the Bureau being able to employ that amount of money properly and effectively and usefully during the coming year. We were doubtful whether amounts beyond that could be so employed.

I would not wish to create the impression, as indicated by the Senator from Rhode Island, that everybody agreed on this figure, because that is not the case. We know, however, after checking into the facts, that the amount recommended can be assimilated in the expansion of the service and that very great and good results can be accomplished with it, but there is a question about whether the Bureau could use more money.

After all, $4¼ million for a limited activity of this kind, operating only during a part of the year, as the Senator from Rhode Island well knows, is quite a large sum, when measured against the total appropriations of the Weather Bureau. Whatever the Weather Bureau may want, ask for, and justify, as it moves along with the development of this program, the Senator from Florida will be in favor of appropriating.

The Senator from Florida stated in his opening remarks that he believes his own State, by reason of the fact that in the past it has been struck more frequently by hurricanes than perhaps any other State in the Union, has received the benefit of perhaps a disproportionate part of the services for which appropriations have been made heretofore.

We have been very grateful for the service rendered to us. It has been very helpful. The service performed by the head of the Weather Bureau Station at Miami, Fla., Mr. Grady Norton, who unfortunately, as the Senator knows, passed away in the middle of the hurricane experience last year, whose demise had been regretted publicly in Florida, and in whose name an award was made only the other day, typified the kind of service which has been given to our State. It certainly has been extremely valuable.

I said in committee, and I repeat on the floor, that I want every other area which is threatened by hurricanes to have just as good service—and even better service, if it can be made available—as it is possible for the Weather Bureau to render. I shall certainly support appropriations to that end.

The Senator from Florida is not sold at this time on the usefulness of making appropriations beyond the $4¼ million which the House of Representatives and the Senate Committee on Appropriations have between them added to this measure for the very worthy purposes which so greatly concern the distinguished Senator from Rhode Island.

Mr. PASTORE. I wish to say to the Senator from Florida that I do not believe there is any Member of the Senate who understands better or more clearly

than does the Senator from Florida the apprehension that dwells in the hearts of the people of New England, who in recent years have been visited by these freaks of nature in the form of violent hurricanes.

A bill, which was considered by the Public Works Committee, provided for a survey to be conducted. I am glad to note that that bill was passed by the Senate and was also acted on favorably by the House of Representatives.

At that time the representatives of the Weather Bureau testified before the Committee on Public Works that if there had been radar equipment at Cape Hatteras the people of New England could have been better advised as to the direction of Hurricane Carol, and would not have suffered the severe damage they did suffer.

In view of the apprehension on the part of the people of New England and of the explanation given by the Weather Bureau, the Senator from Florida can well realize what an appropriation in this particular field means to the people of New England and to the people elsewhere in the country who are visited by these devastating freaks of nature.

Mr. HOLLAND. The Senator from Florida well knows that, and the appropriation for new facilities for the Weather Bureau contained in the pending bill, as recommended by the committee, stands at $5 million. The appropriation includes a substantial amount for radar equipment. I may say to the distinguished Senator from Rhode Island that perhaps no other subject matter coming before the committee received longer or more careful study, and certainly no subject brought more expressions of concern from other Members of the Senate, including the Senator from Rhode Island and his colleague, and, as I have already stated, nearly all the Senators from the Gulf and Atlantic States, including particularly those from New York and the New England States, whose areas have suffered severe damage in recent years.

I can say to the Senator from Rhode Island that we in Florida have had these experiences heretofore. In fact, we have had them so frequently that for a while the hurricanes were referred to—I hope facetiously—as Florida hurricanes.

The experiences of the past few years have shown that such an appellation is a misnomer. It has been shown that when Mother Nature engages in one of the gyrations which we call a hurricane, the hurricane is apt to strike anywhere along the gulf coast or along the Atlantic seaboard, as far north as the New England coast.

Having had the best opportunity to know how much good can come from the hurricane warning services of the Weather Bureau, no one is more anxious about this subject matter than is the Senator from Florida, and no one is more anxious to give to other areas of the Nation all the services heretofore given to us, and to have those services made available to all areas which are threatened by hurricanes. But I know perfectly well that a great deal more is involved in this subject than merely the enlargement of the facilities of the Weather Bureau.

It has been stated not once but several times in the hearings that it is necessary that there be established a very high degree of organization in order to protect the populations that are affected by hurricanes, so that those most threatened can be evacuated from exposed areas, so that homes may be boarded up, so that when communications facilities are threatened there will be personnel available to keep them in operation, and when they have been wiped out, as sometimes they will be, to have a corps of shortwave operators available to take over. In my State very fine service has been rendered along this line.

It is necessary that there be a very high degree of organization effected by the civilian defense organization of a State which is affected, or by unofficial groups; and the communities which have suffered in modern times will, of course, have to come year after year to a higher state of organization in order to do their part in meeting the hurricane threat. I know that movement is under way.

But, Mr. President, I do not want anyone to attach undue importance to the mere stepping up of the appropriations for the Weather Bureau. It is highly important. It is basic. Without it, the information needed cannot be secured and cannot be transmitted. But there is much more than that required effectively to prepare a community to sustain the hammering blows of a hurricane. I would not want anyone to feel that he was protected fully by the Weather Bureau, because quite the contrary is the case. A highly developed organization is required to enable large populations, such as are represented in part by the Senator from Rhode Island, to be ready to do their part effectively in combating the ravages of a hurricane.

Mr. PASTORE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. PASTORE. I realize full well that there is nothing we can do to stop the elements of nature. Of course, it makes a great deal of difference in the amount of damage and in the loss of life if we know the directions of the storms, where they will strike, and the intensity with which they will hit. But the thing which disturbed us was that, although the Weather Bureau had requested from the Budget Bureau approximately $10 million, which would convince me that they were apparently thinking about the organization required to spend that amount, without any justification whatsoever, and as an indiscriminate act on the part of the Budget Bureau, the amount was reduced to $5 million, which was cutting it in half. The Weather Bureau originally asked for $10 million as the amount required to do the job, in view of the terrible storms which prevailed all over the country, and then, suddenly, they decided that a figure of $4¼ million would do the job. They were either grossly wrong in the first place, or they have committed an error at this time.

Mr. HOLLAND. Since the Senate committee came to somewhat the same figure as that which the Senator has mentioned, which is not far from $5 million, and since I do not know what were the reasons which impelled the Department of Commerce and the Budget Bureau to take the position which they took, I wish to say that at the time the matter came up in the hearings, the Commerce Department did not want to retain in the bill even the additional amount which had been placed in it by the House, which, as I recall, was $2,250,000. There was in another item later in this bill provision for a more adequate handling of the facilities acquisition program. The Department of Commerce did not feel it was timely to increase this item at this time. So the $4¼ million in this item represents independent research within the House committee, in the first instance, and, in the second instance, on the part of the Senate committee, it represents at least the judgment of the Senate committee with which we hope the House will in conference be in accord. We believe that in the coming fiscal year the amount can be appropriately used. We doubt whether more than that can be used.

So, Mr. President, I hope the distinguished Senator from Rhode Island will not feel that there is any lack of sympathy or lack of understanding of the problem in the minds of the members of the Senate committee who have given more time and effort to the consideration of this subject than to any of the others involved, some of which were much greater in terms of dollars and cents. This amount, we think, can be assimilated in a program which will result in greatly improved service. We doubt very seriously whether a case has been made for a greater amount. We are in complete sympathy with the needs of the Weather Bureau.

Mr. PASTORE. Mr. President, will the Senator from Florida yield further?

Mr. HOLLAND. I yield.

Mr. PASTORE. Is the distinguished Senator aware of an amendment being proposed by my senior colleague [Mr. GREEN] to increase the amount by $5 million?

Mr. HOLLAND. I should be very loathe to see this particular item tampered with on the floor of the Senate. There is no lack of sympathy on the part of any member of the subcommittee or of the full committee. We want the maximum of good service to be rendered as quickly as it can be rendered to affected areas, but I do not think $10 million or $11 million is in line with the possibilities of quick accomplishment. We think our recommendation is in line with those possibilities.

Mr. PASTORE. Do I correctly understand the Senator to mean that he will oppose the so-called Green amendment?

Mr. HOLLAND. I shall certainly oppose any amendment which adds substantial sums to the bill, because we have made a careful study of it, and we do not wish to have even a suggestion made that we are less sympathetic to the humanitarian objectives embodied in the program than is anyone else.

I suspect the Senator from Florida knows more about the meaning of real help from the Weather Bureau than does any other Senator, because he was Governor of his State when there were several hurricanes, and as a

lifelong resident of his State and during years when there have been many hurricanes, he knows from experience the seriousness of the problem and I would wish that experience to redound to the protection of the people. We should like to move ahead as rapidly as possible. But merely to pick a figure out of the air at this time will not, I think, help anyone. Instead, it will be more apt to confound the issue than to advance a thought-through program such as that which is embraced in the committee recommendations.

Mr. PASTORE. With the background and experience on the part of the distinguished Senator from Florida, it is very important to the people of New England that in the appropriation recommended by this committee sufficient money is being provided to give that particular area adequate protection insofar as protection can be given to any people.

Mr. HOLLAND. I think this amount will give every bit of added protection that can possibly be given during the coming year.

I am perfectly willing to say to my friend, the Senator from Rhode Island, that I expect to be serving in the same capacity when the supplemental bill is considered, and if a further showing can be made of the opportunity to spend more money effectively, I shall be happy always to stand up and to fight for the interests of the people of Rhode Island, just as I shall for the people anywhere else.

But I do not believe in simply including millions of dollars in a bill when there is no immediate use for them, and when there will be no immediate good to come out of such an appropriation. I think one result might be to lead the people to think they have been fully protected, wholly cared for, when that is not the case. We have an opportunity to build upon experience. We have competent personnel. It is necessary to train other personnel in the very difficult job of hurricane detection and hurricane prediction, and in the hurricane warning service.

We cannot add overnight $10 million worth of radar equipment. We want to move as fast as we can. To that end, I pledge my very best efforts to the Senator from Rhode Island and the people of the New England region.

Mr. PASTORE. In other words, if proof can be shown for the need of more money, there will be no compelling reason to wait for a whole year, because the situation can be taken care of through a supplemental appropriation in due time.

Mr. HOLLAND. The Senator from Rhode Island is exactly correct. I hope my friend will not urge at this time an added appropriation, which it would be impossible to justify, because the facts and figures are not yet available. I would rather have the Senator rely on the assurance I have just given, namely, that if in the near future a state of affairs should arise which would justify an enlarged program, we shall do our best to include sufficient funds in a supplemental appropriation bill or a deficiency appropriation bill.

I observe on the floor several members of the Committee on Appropriations. I feel certain there is not one who would not back me up in my statement.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I will back up the Senator from Florida.

Mr. HOLLAND. I know the distinguished Senator from New Mexico will do so; and I believe every other member of the committee will back up my statement.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SCHOEPPEL. I have listened with much interest to the colloquy between the Senator from Florida and the Senator from Rhode Island with reference to the increase in the appropriations for the Weather Bureau. If I understood the Senator from Florida correctly, the bill provides at present about $4 million to take care of some of the additions for which it is thought advisable to provide in the weather reporting or weather warning system.

Mr. HOLLAND. The Senator from Kansas is correct so far as he goes. Four and a quarter million dollars has been added by the committee's recommendation specifically for the purpose of quickly increasing the hurricane warning, storm warning, and tornado warning service, including the operation of one weather ship in the Gulf of Mexico during the hurricane season. But if the Senator will look at page 10 of the committee report, the next paragraph from the end of the page, he will find also that the committee recommends $5 million for the establishment of meteorological facilities by the Weather Bureau. In part, of course, those facilities will greatly serve toward the accomplishment of every objective about which we have been speaking in connection with the use of $4,250,000. So the bill provides much more for the improvement of the facilities of the Weather Bureau than is found in simply the amount of $4,250,000.

Mr. SCHOEPPEL. I appreciate that statement. I share in the apprehension manifested by the members of the committee and by the Senator from Rhode Island about hurricane damage.

As the Senator from Florida knows, the Midwest has been subjected to very tragic loss of life and serious property damage by reason of tornadoes and cyclones. Can the Senator state the number of additional radar stations or warning stations which might be provided with the additional sum, if that matter has been discussed? I am speaking from the standpoint of the interior of the country, especially the midwestern section.

Mr. HOLLAND. I think the best way to attempt to answer the Senator's question, because the amount covers more than radar stations, is to ask unanimous consent to have printed at this point in the RECORD the justification of the Weather Bureau for the $5 million additional for the meteorological equipment program, which was granted in full by the Senate committee. That will give the information, so far as it was made available to the committee, as to the plans of the Weather Bureau.

There being no objection, the justification was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF COMMERCE, WEATHER BUREAU—JUSTIFICATION BY ACTIVITIES

1. Upper-air observational equipment:

Positions	0
Average employment	0
Personal services	0
Other objects	$2,700,000
Total amount	2,700,000

The upper-air observing network of the United States and possessions, as established by joint agreement between civil and military authorities, consists of 93 stations. The maintenance and operation of this basic network is by statute the responsibility of the United States Weather Bureau, but because the Bureau's funds have been insufficient to maintain the complete network, 25 of these stations now are being operated by the Armed Forces while 3 stations have not been activated. The outmoded equipment which the Bureau is using is entirely inadequate for observing high altitude winds and fails almost completely to observe the high-speed air currents popularly termed "jet streams." Accurate and comprehensive observations of high-level winds are essential both for general forecast purposes and for aircraft operations. Observation of the jet stream is one of the primary factors employed in preparing warnings of severe local storms and tornadoes; it is now known that this phenomena is intimately related to the formation of many of the major cyclonic disturbances occurring in the United States. Wind speeds of 100 to 250 miles per hour frequently occur at the altitudes at which jet aircraft normally operate (30,000 to 50,000 feet MSL), so it is especially important that they be accurately observed for operations of this type.

The need for more adequate high altitude wind information for aviation purposes was stressed in a memorandum from Mr. F. B. Lee, Administrator of Civil Aeronautics, to the Weather Bureau, dated May 19, 1954. In this memorandum Mr. Lee stated:

"Present-day civil aircraft, in the course of their regular domestic and international operations at high altitudes, are encountering and in some cases taking advantage of the high velocity wind currents known as jet streams. At the present time operations with these wind currents, however, are uncertain due to the limited knowledge of them which exists today.

"In the reasonably near future, it is anticipated that United States turbojet aircraft will be flying regularly at altitudes up to approximately 40,000 feet on civil routes in all parts of the world. Operators of these aircraft will be interested in taking advantage of their knowledge of this subject either to utilize jet streams as tailwinds or to avoid them as headwinds.

"A complete understanding of these winds, including ways and means of determining their presence, direction, velocity, length, and duration, would be of material assistance in contributing to the safety and efficiency of United States air navigation."

Modern electronic equipment which already has been developed and is currently in use by the military services will consistently observe this jet stream phenomena since it measures winds to altitudes nearly twice that of present Weather Bureau facilities. It is planned to equip the entire basic network of 93 stations with this modern equipment and for the Weather Bureau to assume operation of those stations which are being operated by the military. Inasmuch as the modern equipment at the 25 stations the Armed Forces are operating will be transferred to the Weather Bureau without cost, only such other expenses as are incidental to the relocation of these stations from military bases to Weather Bureau sites will be required. The total cost of relocat-

ing these 25 stations will be $428,000. New equipment and facilities, however, will be required for 58 of the 65 stations the Bureau is now operating. The three additional stations necessary to complete the network will be established at Jackson, Miss.; Winnemucca, Nev.; and Charleston, W. Va.

2. Weather surveillance radar:

Positions	0
Average employment	0
Personal services	0
Other objects	$927,000
Total amount	927,000

One of the most pressing and difficult problems in meteorology consists of detecting and tracking highly localized weather phenomena and major storms which approach the Nation's coast from the sea. By visual observational methods all the weather observers in the entire national network of reporting stations cannot see more than 4 or 5 percent of the local thunderstorms, tornadoes, showers, hailstorms, etc., which may exist over the United States at any given time. Consequently, such phenomena often develop, run their course, and disappear without ever coming within visual detection range of a weather reporting station. This problem can be overcome largely with modern radar storm-detection equipment which enables the observer to determine the nature of precipitation, to see where it is occurring, and what direction it is moving—within a radius of 150 to 250 miles of the observation station. Associated phenomena, such as hail, tornadoes, hurricanes, fronts and squall lines, can be observed and their movements tracked. As a result, a comparatively sparse grid of stations equipped with radar will quite effectively blanket the severe weather areas of the United States. Such a network of radar stations will be extremely valuable because it will permit far more accurate and timely warnings of severe storms to be issued to communities in their paths. The proposed network will result in improved short period aviation forecasts and will provide more accurate information concerning type of storm, areas of turbulence and hail, and icing levels for flying interests. It is extremely important that the equipment be located where the radar scope can be viewed personally by the meteorologist so that he may carefully observe and evaluate the development, changes in intensity, direction and rate of movement of severe weather echoes.

The Weather Bureau now has a partial network of radar stations using equipment converted to weather work from surplus airborne military sets which were manufactured during World War II. These converted radar sets yield fairly satisfactory results although they do not operate on the optimum radio frequency for weather search, nor will they penetrate extensive areas of bad weather. Furthermore, they were engineered for lightness, for airborne use, and as a result of minimum overload factors, will not stand up well in continuous day-in-day-out operation. It is planned to procure and install 12 additional sets of radar equipment specifically designed and built for weather detection purposes. Existing radar sets will be retained in use, although it is planned to relocate a few of the older sets in order to place the improved facilities in those localities having the highest frequency of tornadoes and other severe storms. These new installations, combined with existing facilities, will provide a network of 40 stations which will give reasonably good radar coverage for the United States areas having the greatest frequency of tornadoes, hurricanes, and other severe storms. The work schedule for the new installations provides for the preparation of technical specifications, the letting of contracts and the installing of 3 radar sets in 1956 and the installation of the remainder of the sets in 1957. Each set will require 1 employee to maintain it and to assist the existing station staff with its operation.

3. End-of-runway observational equipment:

Positions	0
Average employment	0
Personal services	0
Other objects	$665,000
Total amount	665,000

It is generally agreed that landing an aircraft constitutes the most crucial part of flying. Pilots, in making instrument landings, must at some time before touchdown, be able to see the runway. This creates a critical problem when ceilings and visibilities in the immediate vicinity of the approach end of the runway are near or below the legal landing minimums established for safety purposes and differ materially from the official observations which are taken some distance away (frequently one or more miles) at the site of the weather station. When such conditions occur, they frequently cause expensive, time-consuming missed approaches, with increased accident hazards.

For jet aircraft this problem is extremely acute since, because of their operational and fuel consumption characteristics, it is impossible to make repeated approaches. Automatic electronic equipment has been developed which will measure cloud height and visibility in the landing zone of the instrument landing runway and instantaneously transmit these values to the weather station and the control tower. Precise knowledge of weather conditions on the approach end of the runway will enable the air traffic controllers to avoid scheduling landings when conditions are likely to result in missed approaches. Preliminary investigations in connection with this problem have been supported by funds transferred from the Air Navigation Development Board. Research has proceeded to the extent that application of the end-of-the-runway technique is entirely practicable with instruments now obtainable. Installation of this equipment is proposed for the 45 instrument landing airports in the United States where the landing of aircraft under adverse conditions has become most critical.

4. Other surface observation facilities:

Positions	0
Average employment	0
Personal services	0
Other objects	$322,000
Total amount	322,000

Much of the Bureau's surface observational equipment is badly outmoded and should be replaced, especially wind, temperature, and humidity measuring instruments. In addition, congestion at the airports where most of the observing stations are located has caused the physical exposure of the instruments at many places to become unsatisfactory. The objectionable exposures consist mainly of the effects on temperature and humidity instruments of wide expanses of concrete paving and of masonry structures, of the effects of locating thermometers and wind-measuring equipment at nonuniform altitudes above the ground, and of the turbulence and sheltering effects which result where it is necessary to locate wind instruments on or near high structures.

Telepsychrometric systems (remote temperature and humidity recorders) will be located at 300 stations. Modern wind-recording equipment will be provided at 50 stations where automatic continuous records of wind directions and velocities, including peak gusts, are most urgently needed. Most of the exposure problems which now exist can be overcome by the remote reading feature of this equipment; and, since it will not be necessary for the observers to visit remotely located instrument shelters at hourly or more frequent intervals, time will be released for other urgent duties. A new weather observatory and office building at an estimated cost of $25,000 is required at Hatteras, N. C., and 2 single family living quarters units at an estimated cost of $12,500 each are required at Canton Island, in order to maintain the observational program at those stations.

5. Engineering and technical support:

Positions	20
Average employment	[1] 12
Personal services	$287,250
Other objects	98,750
Total amount	386,000

[1] Total of 50 man-years estimated for entire 4-year period.

Installation of the equipment to be obtained under this appropriation will require a staff of qualified electronic engineers and technicians. A maximum of 20 positions is anticipated, with a total work requirement of 50 man-years for the entire project. Two engineers will be required during the first year and one during the second and third years to survey sites and make preliminary plans for setting up the facilities. Six employees will be required at headquarters, to prepare engineering plans and specifications preliminary to procurement of equipment; to issue instructions and prepare blueprints, etc., for use by installation crews; and to coordinate and direct the program. It is planned to reduce this staff to five during the second year, and to three by the fourth year.

Actual installations of electronic equipment will be performed by 6 crews of 2 technicians each, during the first year, with a gradual reduction of to 2 crews during the fourth year. Preliminary work, such as construction of foundations and laying of underground conduit, will have been done under contract, so that these technicians can devote their time to specialized electronic work and move quickly from one installation to the next.

Establishment of meteorological facilities, Weather Bureau, 1956–59—Schedule of installations

Item	Fiscal year 1956	1957	1958	1959	Total
1. Upper-air observational equipment:					
GMD–1A type rawinsonde set	[1] 40	18	16	12	[2] 86
Balloon inflation shelter	[1] 29	7	4	4	44
Protective plastic dome	[1] 34	14	8	7	63
2. Weather surveillance radar	3	9	0	0	12
3. End-of-runway observational equipment	10	20	15	0	45
4. Other surface observational facilities:					
Buildings	3	0	0	0	3
Wind recorders	10	20	20	0	50
Telepsychrometers	50	100	100	50	300

[1] Includes relocation of 25 sets currently operated by the Armed Forces.

[2] 7 of the 93 basic network stations have been equipped with instruments transferred from the Armed Forces.

Mr. HOLLAND. Mr. President, with that amount and the $4,250,000 additional, it should be apparent that the committee does not want to inhibit the Weather Bureau in the slightest. The only specific item concerning which the committee directed the Weather Bureau was as to the operation of the weather ship in the Gulf of Mexico. Otherwise we confined ourselves to stating the general objectives of a quick improvement in the hurricane warning system, a general storm warning system, and a tornado warning system, so as to provide as quickly as possible better protection for all the areas which may be threatened

by hurricanes, major storms, or tornadoes. We think that is the soundest policy under present conditions.

Those who are responsible for the program are devoting their entire lives to the objective of trying to ascertain information quickly and to communicate it to the public. I regard them essentially as persons who believe in serving; otherwise they would not be occupying their position. The intention is to turn the money over to them so that they can build up the service as rapidly as possible, whether through the installation of radar or the building of warning centers, and quickly train additional crews.

I may say again that not every person in the Weather Bureau can handle the assignment of predictor or prognosticator of hurricanes, or of following hurricanes through their courses as they come up through the South Atlantic, the Caribbean, or the Gulf, and then through the upper Atlantic, before the time they strike the mainland. This is highly technical work, and there are involved matters having to do with training facilities and all types of arrangements, including radio and television stations.

In my State, during the hurricane season, and at the approach of a hurricane, radio stations which are located anywhere near the path of the storm are contacted through the hurricane warning center in Miami. All the stations broadcast at, I believe, half hour intervals, warnings and late information which has been received from the planes which are flying in and outside the eye of the hurricane. That information is transmitted from the plane both by radio and in person when the pilots again come to the ground.

Such information must be quickly correlated and quickly conveyed to the radio and television stations.

When the storm gets very close, information is transmitted even to stations which are operated by the "ham," or amateur shortwave, operators, who at times have had to accept a very large part of the responsibility when hurricanes have struck our coast.

So there is more than merely radar, more than simply an office in which the Weather Bureau personnel can serve. All kinds of very technical communication systems must be established. All kinds of statistical information must be collected. I am certain the Senator has seen compilations of plots of the courses of hurricanes at various times of the year. They seem to bend into the Atlantic at certain times and toward the gulf at other times. Thus the acquisition of information is a continuing one. The Weather Bureau is receiving new information each year, and each time a hurricane develops.

The committee has left the whole operation of the development of such information to the Weather Bureau.

So I would not want to say to my friend, the Senator from Kansas, that we have specifically allowed for anything more than the items shown in the justification, in the other $5 million appropriation which is for the improvement of meteorological facilities. The four and a quarter million dollars will be in the hands of the Weather Bureau, to be spent where it thinks it can be most effectively used in preparing to give better warning as quickly as possible.

We were impressed by a chart, presented by the Weather Bureau, showing their prediction with reference to the probability of tornadoes the day before, indeed, hours before, the occurrence of the recent disastrous tornadoes in Oklahoma and Kansas. The location of each of the tornadoes was plotted in the area for which warning was given, and all those tornadoes, except one, occurred within the boundaries which had been indicated the day before as the area of probable tornado tension. The one which occurred outside the first area was included in the somewhat changed plot which was given out some hours after the first one. So that effective warning can be given, but I repeat to the distinguished Senator from Kansas what I just said to the distinguished Senator from Rhode Island: It takes more than the mere ascertainment of the weather facts and giving them out. Intensive organization by the good people affected is required before the best results can be obtained.

In the case I have mentioned, after there had been full indication to all the people affected, I am quite sure, without having been at the villages which were destroyed or wiped out, that there were more storm cellars than those occupied by persons at the time that tornado hit at about 10 o'clock in the evening. It takes intensive organization in order to get the job of protection done, organization on the part of the civil officials, and on the part of people themselves, who are threatened with disaster whenever a tornado strikes the area in which they live.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I agree with the Senator that great latitude and leeway should be left to this important type of service, and that its personnel should have the opportunity of designating where, in conjunction with the overall program, these types of installations might best serve the people and the area generally.

I will say to the distinguished Senator from Florida that I was somewhat disturbed because of a situation which developed in my own State very recently. I have heard rumors to the effect that there was some disposition on the part of the Commerce Department and related agencies to close 13, 14, or 15 reporting stations because of a lack of funds which are necessary for this most important type of service—a service which should be rendered. As the Senator from Florida has said, I am sure that the appropriation which has been requested and the appropriation which the committee has added will probably enable the Department to take this matter into serious consideration. I think it would be a mistake to close, in some sections of the country, stations such as those having to do with air service, community service, weather reporting, and other stations of that type which have trained personnel on hand. I agree with the Senator from Florida that it takes more than dollars and cents to enable the stations to give results; it requires trained personnel.

I was glad to hear the Senator from Florida say to the Senator from Rhode Island a moment ago that when a subsequent appropriation is considered, if, in the wisdom and judgment of those responsible, it should be deemed feasible and practicable, and there are available the personnel and equipment, the committee will be liberally inclined and will provide additional appropriations if the money can be utilized.

Mr. HOLLAND. The Senator from Kansas is correct. The committee would not only be strongly inclined to support a reasonable program, but would insist on doing so. The Senator from Florida now invites the Senator from Kansas to pursue the matter further, and if a specific plan enlarging the various programs embodied in the bill can be worked out, of course we shall be glad to provide for it in a subsequent bill.

I am glad the Senator from Kansas mentioned the CAA stations, because they have a part in the picture. I had already stated, I think before the Senator from Kansas came to the floor, that when the appropriation for the CAA was considered by the committee, it not only restored the full budgeted amount, which meant that none of the stations could be closed which would have had to be closed if the House figures prevailed, but also added $975,000 to the appropriation when it discovered that the CAA, because of recommendations of the Budget Bureau would have to close 31 stations which are now functioning, and which we thought were of value, not only for aircraft operations, but for weather service.

The principal reason why we felt they were of value in the hurricane situation is that when the Weather Bureau was asked by me what its recommendations were with reference to the closing of the Vero Beach, Fla., station, which was one of the 31 that CAA proposed to close under the recommendations of the Bureau of the Budget, the Weather Bureau said it had no intimation of plans for closing that station, and the officials of the Weather Bureau were of the opinion that it was an important link in the group of stations which make observations and gather and broadcast information when a hurricane is approaching the southeast coast of Florida. The officials of the Weather Bureau were not found to be at all willing to discontinue that station, which is both a weather station and an air-warning station as well.

Mr. SCHOEPPEL. I appreciate very much what the Senator from Florida has said. I now understand the situation. I am sorry I was not present when he began his discussion of the matter. To that extent, he is far ahead of me. I think it is very important that the statement of the Senator is being put into the RECORD as a justification, which will enable us further to explain the situation to many of our constituents, who I am sure are alarmed—and not without reason—because of the weather situation which has developed in the past few weeks in our section of the country.

Mr. BARRETT. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield to the Senator from Wyoming.

Mr. BARRETT. At the outset, let me commend the Senator from Florida for his very fine work as chairman of the subcommittee handling the appropriation bill now under consideration, and for his illuminating statement to the Senate today.

Mr. HOLLAND. I thank the Senator.

Mr. BARRETT. I should like to inquire of the Senator with regard to the increase of $975,000, over the budget request, which he mentioned a moment ago. It seems to me the utilization of those funds is of tremendous importance to people of the West, for the reason that many chartered planes are operated by so-called civil itinerants, such as farmers, ranchers, businessmen, and other persons. Those persons fly under visual flight rule operations, and they do not have any instruments. Consequently the stations afford a great degree of protection to such operators in the way of safety. Unless that item is retained in the bill, and unless the House conferees accede to the Senate amendment, in the event it is approved by the Senate, communities such as Douglas, and other small communities in my State, will find themselves in a pretty bad predicament, so far as safety precautions are concerned.

So I am very much pleased to see that item in the bill as reported by the committee, notwithstanding the fact, as I understand, that the item was not allowed by the Bureau of the Budget. Am I correct in that assumption?

Mr. HOLLAND. I do not know whether the item was deleted by the Bureau of the Budget or by the Civil Aeronautics Administration of their own will in planning within the budget. The budget, as it reached the Congress, involved elimination of provision for 31 stations of this kind. It was to prevent the elimination of the provision for those stations that the Senate committee approved the item of $975,000.

In fairness to the committee, I should say that the committee is not averse to effecting savings in this field if they can be properly effected. So the committee wrote into its report a direction to the Civil Aeronautics Administration to report to the Senate and to the House of Representatives Appropriations Committees what it is proposing to do in this regard, so that we may know where the CAA is going, before it begins to eliminate any large number of CAA flight-control stations.

Mr. BARRETT. Mr. President, if the Senator from Florida will yield further to me, let me say to him that I am not opposed, either, to effecting savings. However, so far as I know, in my own State, particularly during violent winter storms, it is most desirable to make possible communication between aircraft and stations of this kind which may be 50 or 100 miles from a large city.

Therefore, from the point of view of the safety of hundreds of private planes using the air, as well as the safety of the large commercial air-transport planes, it seems to me to be advisable that these stations be continued in operation, particularly because of their value in cases of emergency landings in time of storm.

Mr. President, I was very much pleased, I may say to the distinguished Senator from Florida, when the committee voted to restore this item to the bill, because the airport at Rock Springs, Wyo., is a large one, and is about 200 miles from any other large airport. It is in a mountainous area. The justification contains an item for an instrument-landing system at the airport itself, provision for which would be lacking unless the full estimate were included in the bill along with the appropriation for the 31 stations.

Mr. HOLLAND. I thank the distinguished Senator from Wyoming. He was one of many Senators who expressed misgivings about the closing of these stations. He so stated in his appearance before our committee; and the committee was in complete accord with that view after it had heard all of the plans, and had found that no program was reported, and no plans had been made which it felt would give equal safety or better safety.

So, as I have already stated, we included the item of $975,000 with the direction that the CAA close no stations at this time; and we added the following:

> The committee therefore directs that no stations or facilities now operating be discontinued by the Civil Aeronautics Administration, and that there be reported to the appropriate committees of the Senate and the House of Representatives a comprehensive plan for future air-traffic control routes, facilities, and stations, which shall in any event be made available to this committee and to the Appropriations Committee of the House of Representatives prior to the submission of the budget for the fiscal year 1957.

We felt that direction gives the Civil Aeronautics Administration a chance to effect economies which it is willing specifically to justify, but does not leave the Congress in the position of taking action which would blank 31 stations out of existence, without a showing as to their necessity or want of necessity, and would similarly blank out 30 more such stations, if the amount voted by the House of Representatives were to prevail.

Mr. BARRETT. Furthermore, this item will give the Congress an opportunity to take another look, before these stations are discontinued.

Mr. HOLLAND. That is correct.

Mr. BARRETT. I think the committee was very wise in the position it took.

As the Senator from Florida will recall, I also appeared before the committee and asked it to restore the cut of $3,150,000 voted by the House of Representatives. As will be recalled, I referred to the situation with reference to the control tower at the Casper Airport. As I said then, the Casper Airport presently is used as a training base for the Air National Guard of six different States, and the Air National Guard uses it for the training of jet-plane pilots. There have been a number of near accidents there. Very fortunately, there have not been any serious accidents. But commercial planes are using that field all the time, and a large number of private planes—owned by oil companies and other large concerns—land there. So we are faced there with a serious situation, from the point of view of safety. Consequently, a control tower at the Casper Airport Base is badly needed; and I was very glad to see the Senate committee vote to restore to the bill the item of $3,150,000, which the House of Representatives had voted to eliminate. I am very glad that the Senate committee has voted to restore that item, because the Bureau of the Budget and the Civil Aeronautics Administration gave a justification for an air-control tower at Casper, to cost, as I recall, $90,000 for the tower itself, $50,000 for electronic equipment for the tower, and $27,000 for operating expenses.

Mr. O'MAHONEY. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Florida yield to the Senator from Wyoming?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. I wish to associate myself with the remarks made by my colleague from Wyoming [Mr. BARRETT]. The Casper Airport would be seriously damaged and its future value to the State of Wyoming and to the Nation seriously impaired if the Senate conferees were to yield to the House conferees in connection with this matter. I wish to add my voice to that of the senior Senator from Wyoming in requesting that the increase, or the restoration, voted by the Senate committee be approved by the Senate as a whole, and that the Senate conferees urge upon the House conferees the absolute necessity of reestablishing the facilities at Casper, at Douglas, and at Rock Springs.

Mr. HOLLAND. Mr. President, I appreciate the comment the distinguished junior Senator from Wyoming has made. I may say that on page 455 of the hearings will be found the list of four airport traffic-control towers, which is the full number which would have been deferred until after 1956 if the amount voted by the House of Representatives were to remain in the bill. Casper, Wyo., is one of the four, and the other three are Moline, Ill.; San Angelo, Tex.; and Shreveport—downtown—La.

Mr. MANSFIELD. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. MANSFIELD. Will the distinguished Senator from Florida tell the Senate the details of the item on page 5 of the bill relative to funds for air-navigation operation, and whether the stations at Livingston, Whitehall, and Drummond, Mont., will be kept in operation during the coming year? As the Senator from Florida knows, these stations are located in extremely mountainous areas. The terrain is rough, and the stations are very much needed.

Mr. HOLLAND. Mr. President, I am very glad the Senator from Montana has raised this question, and I am glad to refer him to page 454 of the committee hearings, wherein it is shown that the three important installations he has mentioned—namely, those at Drummond, Livingston, and Whitehall, Mont.—are among the ones which are directed by the committee not to be closed during the coming fiscal year, and whose operations are provided for by the committee's recommendation for the ad-

dition of $975,000 to the budget recommendation.

Mr. President, there is one substantial decrease below the House figures. In the proposed appropriation for establishment of air navigation facilities, under the Civil Aeronautics Administration, the amount in the bill is $2,500,000 less than the House figure. Of the reason for this reduction, the report says:

> It is the view of the committee that the administration should proceed slowly with installation of new equipment while the question of the type permanently to be used in being determined.

As to this item, I feel it is important to point out, Mr. President, that the amount in the bill is more than three times the amount of the appropriation for fiscal year 1955.

Mr. President, all of the substantial changes of amounts contained in the House bill which I have already mentioned relate to activities in the Department of Commerce. The Senate will note that in the case of the other agencies included in this bill there are no substantial changes from the figures suggested by the House. In the case of the St. Lawrence Seaway Development Corporation and that of the Tariff Commission, we recommended the same amounts as those contained in the House bill. In the case of the Canal Zone, we recommend that the House bill be increased by $300,000, though the amount which we recommend is still $298,000 below the 1956 estimates. In the case of the Advisory Committee on Weather Control, we recommend that the House figures be increased by $120,000, which is the amount required to cover full year's salaries for persons employed for only a part year in 1955, and to also provide funds to expand several experimental projects. In particular, the amount which we recommend would allow the Advisory Committee on Weather Control to carry out, in connection with the Weather Observation Station at Mt. Washington, N. H., the important experiment which has been planned and which it is thought will afford new and needed information relative to the effects, both on the area directly involved and on nearby areas, of the artificial production of rain brought about by cloud seeding.

Mr. President, I understand that the request of the Senator from Delaware [Mr. WILLIAMS], to which we have acceded, was that no action be taken on any of the items included in the Senate committee version of the bill. I have mentioned the major items of change in my remarks today.

I shall expect, immediately upon resumption of this debate tomorrow, to ask the Senate to take the usual course of approving en bloc the committee amendments, of which there are a great many, with the definite understanding that we shall simply have a clean bill at that stage, without precluding or handicapping in any way the offering of amendments to any portion of the text of the clean bill.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. I observe that among the amendments recommended in the report—I have not had an opportunity to check the bill—is a reduction of the appropriation for the Census of Business, Manufactures, and Mineral Industries. The last paragraph on the bottom of page 3, under the heading which I have just recited, says:

> The committee recommends no amendment. The House allowance of $4 million is $655,000 less than the budget estimate, and $4,430,000 less than the appropriation for fiscal year 1955.

Am I correct in my assumption that there was a cut of $655,000 below the budget estimate, which cut was made by the House committee and was untouched by the Senate committee?

Mr. HOLLAND. The Senator is correct. However, if the Senator had turned the page, he would have found the Senate committee's philosophy more fully explained in the first sentence at the top of the next page. The Senator may wish to read it into the RECORD.

Mr. O'MAHONEY. It reads as follows:

> It is not intended by the committee that this reduction should delay or curtail the planned work on the censuses, but that, if it is demonstrated that additional funds are required in fiscal year 1956 to complete it, a supplemental estimate will be submitted.

My point is this: In years gone by the Census of Manufactures has been of inestimable value in determining the trend of business throughout the United States. Unfortunately, it was curtailed during the war. I know personally of requests which are being made to the Bureau of the Census for additional information, which scarcely can be obtained without the amount recommended by the Budget Bureau.

I know the Senator is concluding his statement. At the moment I am merely giving notice that I should like to have the opportunity, when amendments are in order, to offer an amendment and a more detailed explanation as to why the Census of Manufactures should not be curtailed.

Mr. HOLLAND. I thank the distinguished Senator. Of course, he is thoroughly within his rights in offering such an amendment. However, I invite his attention to the fact that the Budget showed an unobligated balance carried forward of $340,000, which, with the $4 million which the House placed in the bill for this item, would equal $4,340,000, whereas the budgeted amount is $4,655,000.

Upon surveying the situation, the committee felt that it would safeguard the item entirely by simply giving notice that it expected the work to be completed, and that it stood ready, in the event the $4,340,000 was not sufficient, to recommend supplying the balance in a supplemental appropriation.

Mr. O'MAHONEY. I think that is a very admirable position on the part of the committee. However, as I say, I wish to discuss the subject a little more fully at a later time. At the moment I am supposed to be present at a conference committee session between the House and Senate on some bills which have been passed by both Houses.

Mr. DOUGLAS. Mr. President, I wish to discuss and oppose the amendment of the committee on page 7, lines 16 and 17, increasing the subsidies to be paid to air carriers from $40 million, as provided in the House bill, to $55 billion.

It should be understood that this very large subsidy of $55 million would be in addition to the mail pay which is given to the airlines, the appropriations for which for the current year will amount to $77 million. Therefore, with the compensation for mail which is still being paid for by the Government at a very liberal rate—I believe at the rate of 60 cents per ton-mile—we would now have a total of $132 million being appropriated for the air carriers of the country.

I have very real doubts about the wisdom of increasing the subsidy from $40 million to $55 million. I believe the House committee was on the whole much better advised when it fixed the figure of $40 million. I should like to say that my doubts arise from 3 or 4 considerations.

ONE BIG AIRLINE, PAN-AMERICAN, OWNS CHAIN OF NINE HOTELS

The first is that one of the big air carriers, Pan American Airways, according to the evidence, owns completely, 100 percent, a chain of hotels known as Intercontinental Hotels Corp. That fact was admitted last year in the hearings at page 2114, when, in response to a question by the Senator from West Virginia [Mr. KILGORE] addressed to the representative of CAB, Mr. Roth, who had previously stated that Pan American owned 20 percent of International Hotels Corp., corrected his figure. He testified:

> Yes, the correct figure is 100 percent. I believe I stated at the time that it was my general recollection that Pan American originally had only 20 percent. I was apparently confused when I made the statement based on general recollection.

So we have here a completely owned hotel subsidiary which is tacked onto Pan American Airways and which is financed by or organically connected with it.

CAB TABULATION SHOWS LARGE EXPENDITURES AND ADVANCES BY PAN-AM FOR ITS HOTEL SUBSIDIARY

On the 26th of May, the day before the hearings started before the subcommittee of the Senate Appropriations Committee on the request of the CAB for these airline subsidies, I wrote to the distinguished chairman of the Committee on Appropriations urging a large reduction of subsidies. I said:

> There is no justification in saddling the taxpayers, directly or indirectly, as appears to have been done, through the device of airmail subsidies, with ventures such as hotel chains and real-estate development companies which are entered into by airlines for which the CAB is asking your committee to appropriate subsidies.

In that letter I also stated:

> I was unsuccessful in obtaining from the CAB a statement of the gross transactions between the subsidized airlines and their subsidiaries, but I have obtained a tabulation of the net transactions, which I submit for inclusion in the record of your hearings following this letter.

Unfortunately, as the distinguished chairman of the committee has advised me by letter, the tabulation which was attached to my letter of May 26, which contained supporting figures, was by in-

advertence omitted from the printed hearings.

Therefore, Mr. President, I ask unanimous consent that my letter and the omitted tabulation be printed in the RECORD at this point.

There being no objection, the letter and tabulation were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
May 26, 1955.

HON. CARL HAYDEN,
Chairman, Senate Appropriations Committee, Washington, D. C.

DEAR SENATOR HAYDEN: You recall that last year and previous years I have consistently advocated reduction in the appropriations for airmail subsidy in the interests of the American taxpayers.

On pages 2159–2164 of your hearings of last year on the airline-subsidy appropriation requested by the Civil Aeronautics Board were listed a large number of subsidiaries of subsidized airlines.

I have had considerable correspondence with the General Accounting Office and with the Civil Aeronautics Board on this matter and want to lay before your committee as much information as is possible. I am handicapped in this regard in that the report of the CAB dated May 20, 1955, on the relationship between the most heavily subsidized airline, Pan American, and the largest of all the subsidiaries, Intercontinental Hotels Corp., is stamped: "Public disclosure of this information not authorized by the CAB."

There is no justification in saddling the taxpayers, directly or indirectly, as appears to have been done, through the device of airmail subsidies, with ventures such as hotel chains and real-estate development companies which are entered into by airlines, for which the CAB is asking your committee to appropriate subsidies.

Whereas the CAB advised the House (Appropriations Committee hearings on 1955 CAB budget, p. 636) that Pan American owned only about 20 percent of Intercontinental Hotels Corp., it develops that the true facts (confirmed in your hearings of last year, p. 2114) are 100 percent. This fact is important because section 407 (e) places responsibility on the CAB to audit the books of subsidiaries. The law defines subsidiaries as companies over which the parent company exercises effective control. If the extent of Pan American's ownership of Intercontinental Hotels Corp. were only 20 percent, it might be argued whether effective control exists, and, therefore, whether the CAB is responsible for auditing, but there surely can be no argument in the face of the fact of 100 percent ownership.

Unfortunately, however, I find that the Government has never conducted a complete audit of this subsidiary.

The investigative report of the House Appropriations Committee referred to in House Report 207 is extremely critical of this failure of the CAB to conduct the necessary audits of the subsidiaries. At your hearings on the second supplemental the Civil Aeronautics Board talked about the difficulties of invading friendly South American countries to get the books of subsidiaries in which our airlines owned only a minority interest. The General Accounting Office informs me, however, that in this instance Pan American owns, not a minority interest of Intercontinental Hotels Corp., but a 100 percent interest and, further, that the headquarters of this hotel corporation are located in the same building, the Chrysler Building, as the parent airline. Therefore, there seem to be no real obstacles to a complete Government audit of this hotel corporation and similar subsidiaries.

I was unsuccessful in obtaining from the CAB a statement of the gross transactions between the subsidized airlines and their subsidiaries, but I have obtained a tabulation of the net transactions, which I submit for inclusion in the record of your hearings following this letter.

This CAB tabulation shows, for example, that in the calendar year 1953 alone Pan American advanced $2,530,063 more to its subsidiary, IHC, than it received back.

It would appear that we are subsidizing Pan American, which in turn is subsidizing its wholly owned hotel firm.

As you know, a man would be thrown off the public relief rolls immediately if he were found to own a valuable hotel, let alone a whole chain of them. Here we are confronted with the spectacle of an airline appealing to the Government for vast subsidies at the public expense, on the basis of its alleged need, while at the same time we find it owns a whole chain of luxury hotels and advances millions of dollars yearly on these hotels.

These facts, plus others which you will find in the attached tabulation, indicate the necessity for a drastic reduction in airline subsidy in the interest of the taxpayer.

In my book Economy in the National Government, I pointed to the possibility of reducing airline subsidies by $40 million per year.

Since we now have a chance to vote on airline subsidies separately from the appropriation for compensation for actually flying the mail, I hope your committee will see fit to make a reduction of this size in the subsidy appropriation now before you.

Sincerely,

PAUL H. DOUGLAS.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)							Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Alaska Airlines, Inc.: Affiliates:										
Alaska Aviation Maintenance, Inc.:										
Current					$22		−$22	−$1,000		[1]−$1,000
Security investment				$1,000					$198	1,198
Total				1,000	22		−22	−1,000	198	198
Aeronautical Radio, Inc.:										
Current								792	−792	
Security investment				10				990	594	1,594
Total				10				1,782	−198	1,594
Fairbanks Aeronautical Radio, Inc.: Security investment				1,000			1,782	−1,782		1,000
Alaska Aviation Radiom, Inc.:										
Current								250	−250	
Security investment									250	250
Total								250		250
Total, Alaska				2,010	22		1,760	−750		3,042
Allegheny Airlines: Affiliates:										
Aeronautical Radio, Inc.: Security investment	$560	$1,083					5,160			6,803
Air Cargo, Inc.: Security investment	80			320						400
Air Transport Association: Security investment		1,600								1,600
Airlines Clearing House: Security investment					501		−400			101
Airport Ticket Office Association: Security investment									792	792
Total affiliates	640	2,683		320	501		4,760		792	9,696
Separately operated division: Manufacturing and development division:										
Security investment			$685,808	−323,904	−158,505	$3,352	105,275	$104,164	−416,190	
Total, Allegheny	640	2,683	685,808	−323,584	−158,004	3,352	110,035	104,164	−415,398	9,696
Bonanza Air Lines, Inc.: Affiliates:										
Air Cargo, Inc.: Security investment							220			220
Aeronautical Radio, Inc.:										
Current							232	127	−359	
Security investment							1,000		247	1,247
Total							1,232	127	−112	1,247
Total, Bonanza							1,452	127	−112	1,467

[1] Represents payable to affiliate.

NOTE.—"Current" includes accounts receivable and payable and advances receivable and payable, and is shown in each instance where carrier reported balances of this character.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)							Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Braniff Airways, Inc.: Affiliates:										
Chicago Airlines ticket office:										
Current	$450		−$450							
Security investment	150			−$150						
Total	600		−450	−150						
Airlines Clearing House:										
Current	1,000				−$500		−$400			$100
Security investment	1									1
Total	1,001				−500		−400			101
Air Cargo, Inc.:										
Current		$2,400	−$2,400							
Security investment	440			$1,760				$800		3,000
Total	440	2,400	−2,400	1,760				800		3,000
Aeronautical Radio, Inc.:										
Current							−7,985	9,574	$7,604	9,193
Security investment	2,570	8,736	764		220		2,710	9,330		24,330
Total	2,570	8,736	764		220		−5,275	18,904	7,604	33,523
Air Transport Association: Security investment		14,800			−14,800					
Midway Airport Corp.:										
Current			57,371	−53,936	195				−3,230	400
Security investment			5,000	−5,000						
Total			62,371	−58,936	195				−3,230	400
Radio Aeronautica de Cuba:										
Current			33,941	−33,941	3,516		−499	2,663	498	6,178
Security investment			100					53,200		53,300
Total			34,041	−33,941	3,516		−499	55,863	498	59,478
Airlines Motor & Terminal Corp.: Security investment			200		−200					
Aeropuertes de Cuba, S. A.: Security investment			100							100
Aeronautical Radio, Caribbean:										
Current					61,167	$23,738	−23,399	−55,756	−5,750	
Security investment				106,400	−53,200			−21,044	−9,119	23,037
Total				106,400	7,967	23,738	−23,399	−76,800	−14,869	23,037
Airlines Terminal Corp.: Security investment					7,511			3,756		11,267
Braniff Airways de Mexico: Security investment							2,890			2,890
Combined airline ticket office: Current							1,000		−597	403
Airlines personnel relations: Current								360		360
Total, Braniff	4,611	25,936	94,626	15,133	3,909	23,738	−25,683	2,883	−10,594	134,599
Caribbean-Atlantic Airlines, Inc.: Affiliates:										
Aeronautical Radio, Inc.: Security investment	10									10
Central Airlines, Inc.: Affiliates:										
Air Cargo, Inc.:										
Current								−192	192	
Security investment							220			220
Total							220	−192	192	220
Aeronautical Radio, Inc.:										
Current								−656	1,729	1,073
Security investment							1,000			1,000
Total							1,000	−656	1,729	2,073
Airline Clearing House, Inc.: Security investment							101			101
Total, Central							1,321	−848	1,921	2,394
Colonial Airlines, Inc.: Affiliates:										
New York Airport Terminal, Inc.:										
Current			4,000			−3,132	155	942	2,282	4,247
Security investment	2,250	−2,000								250
Total	2,250	−2,000	4,000			−3,132	155	942	2,282	4,497
Airlines Clearing House, Inc.:										
Current							−120	120		
Security investment	1,001				−500					501
Total	1,001				−500		−120	120		501
Aeronautical Radio, Inc.:										
Current							−120	357	−656	859	440
Security investment	450	1,910		1,150				490			4,000
Total	450	1,910		1,150			−120	847	−656	859	4,440
Air Cargo, Inc.:										
Current							−500	253	−329	−95	[1] −671
Security investment	80		320								400
Total	80		320				−500	253	−329	−95	−271

[1] Represents payable to affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Colonial Airlines, Inc.: Affiliates—Continued										
Airlines Terminal Corp.: Security investment		$4,900			−$2,413					$2,487
Consolidated Ticket Office, Washington, D. C.: Security investment		900	−$900							
Consolidated Ticket Office, Brooklyn, N. Y.: Current			500	−$500						
East Side Airlines Terminal:										
Current							$3,000	$655	$9,772	$13,427
Security investment						$5,000				5,000
Total						5,000	3,000	655	9,772	18,427
Total, Colonial	$3,781	$5,710	3,920	650	−$2,913	1,128	4,375	612	12,818	30,081
Continental Air Lines, Inc.: Affiliates:										
Aeronautical Radio, Inc.:										
Current							2,618	−361	1,580	3,837
Security investment	560	5,350			3,140			−50		9,000
Total	560	5,350			3,140		2,618	−411	1,580	12,837
Air Cargo, Inc.:										
Current						875	−175	300	100	1,100
Security investment	120			480						600
Total	120			480		875	−175	300	100	1,700
Airlines Clearing House, Inc., security investment	1,001				−500		−400			101
Airlines Negotiating Conference: Current			342	−109	127					360
Total, Continental	1,681	5,350	342	371	2,767	875	2,043	−111	1,680	14,998
Cordova Airlines, Inc.: None										
Delta Air Lines, Inc.: Affiliates:										
Aeronautical Radio, Inc.:										
Current									10,178	10,178
Security investment	1,450	7,220			3,340	−3,340	3,330		8,180	20,180
Total	1,450	7,220			3,340	−3,340	3,330		18,358	30,358
Airlines Clearing House: Security investment	1,001				−500		−400			101
Air Cargo, Inc.:										
Current									7,923	7,923
Security investment	240			960					1,000	2,200
Total	240			960					8,923	10,123
Chicago Airlines Ticket Office, Inc.: Security investment	150			−150						
Airlines Terminal Corp.:										
Current			$6,964	−4,397	−2,567					
Security investment		15,000			−7,388				3,119	10,731
Total		15,000	6,964	−4,397	−9,955				3,119	10,731
Airlines Motor & Terminal Corp.: Security investment			200	−200						
Midway Airport Corp.: Security investment					47,727		−47,727		1,815	1,815
Radio Aeronautica de Cuba: Current [3]									6,378	6,378
Total affiliates	2,841	22,220	7,164	−3,787	40,612	−3,340	−44,797		38,593	59,506
Separately operated divisions: Dusting Division, Delta Air Lines, Inc.:										
Current			29,318	−3,358	−21,583	−2,173	25,650	3,647	51,852	83,353
Security investment	[4] 103,415	[4]−2,099	−45,924	11,242	42,915	−4,533	−2,380	−27,430	−3,492	71,714
Total separately operated divisions	103,415	−2,099	−16,606	7,884	21,332	−6,706	23,270	−23,783	48,360	155,067
Total, Delta	106,256	20,121	−9,442	4,097	61,944	−10,046	−21,527	−23,783	86,953	214,573
Ellis Air Lines, Inc.: None										
Frontier Airlines, Inc.: Affiliates:										
Airlines clearing house:										
Current	500						−400			100
Security investment	1									1
Total	501						−400			101
Aeronautical Radio, Inc.:										
Current							−1,823	1,725	1,689	1,591
Security investment	380						620			1,000
Total	380						−1,203	1,725	1,689	2,591
Air Cargo, Inc.:										
Current							−958	528		[5]−430
Security investment	220									220
Total	220						−958	528		−210
Total, Frontier	1,101						−2,561	2,253	1,689	2,482
Hawaiian Airlines, Ltd.: Affiliate: Inter-Island Steam Navigation Co., Ltd.: Current			−3,421	3,366	−470	525				
Helicopter Air Service, Inc.: Affiliate: Aeronautical Radio, Inc.: Security investment					10		990	−750		250

[3] Carrier owned 314 shares of stock at December 31, 1953, reported at zero book value.
[4] No breakdown between Current and Security Investments reported for these years.
[5] Represents payable to affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Lake Central Airlines, Inc.: Affiliates:										
Aeronautical Radio, Inc.:										
Current								$686		$686
Security investment						$220	$780			1,000
Total						220	780	686		1,686
Airlines Clearing House: Security investment						501	−400			101
Airport Ticket Office Association Corp:										
Current									$592	592
Security investment									200	200
Total									792	792
Total, Lake Central Airlines, Inc						721	380	686	792	2,579
Los Angeles Airways, Inc.: Affiliate:										
Aeronautical Radio, Inc.:										
Current				−$349	$349					
Security investment			$10					240		250
Total, Los Angeles Airways, Inc			10	−349	349			240		250
Mohawk Airlines, Inc. (formerly Robinson):										
Affiliates:										
Robinson Aviation, Inc.: Current				−37,203	17,117	20,086				
Air Cargo, Inc.: Security investment				200	20					220
Aeronautical Radio, Inc.: Security investment							1,000			1,000
Airlines Clearing House, Inc.: Security investment							101			101
Total, Mohawk Airlines, Inc				−37,003	17,137	20,086	1,101			1,321
New York Airways, Inc.: Affiliates:										
Air Cargo, Inc.: Current									220	220
Aeronautical Radio, Inc.: Current									250	250
Total, New York Airways, Inc									470	470
North Central Airlines, Inc. (formerly Wisconsin Central): Affiliates:										
Aeronautical Radio, Inc.: Security investment					10		990			1,000
Airlines Clearing House: Security investment							101			101
Total, North Central Airlines, Inc					10		1,091			1,101
Northeast Airlines, Inc.: Affiliates:										
Airlines Clearing House:										
Current	$500		−301	260	−35	−424				
Security investment	501						−400			101
Total	1,001		−301	260	−35	−424	−400			101
Air Cargo, Inc.:										
Current			−1,250	1,183	33	−529	507	−16	3	[6] 69
Security investment	80			320						400
Total	80		−1,250	1,503	33	−529	507	−16	3	331
Aeronautical Radio Co.:										
Current			−1,844	1,725	−24	134	−180	134	713	658
Security investment	450	$3,028			132		3,390			7,000
Total	450	3,028	−1,844	1,725	108	134	3,210	134	713	7,658
New York Airport Terminal, Inc.:										
Current		5,000	−6,353	4,545	−446	−1,020	−9	952	958	3,627
Security investment	250									250
Total	250	5,000	−6,353	4,545	−446	−1,020	−9	952	958	3,877
Airlines Negotiating Committee: Current			327	443	−770					
Central Airlines Terminal: Current			500			−500				
Air Traffic Conference: Current			−760	439	321		−9	−251	260	
Airline Finance and Accounting Conference: Current			−38	38						
Air Transport Association: Current			−5,425	5,267	158			−1	1	
Airlines Personnel Relations Conference: Current					360					360
East Side Airlines Terminal Corp.:										
Current							3,000	603	−573	3,030
Security investment						5,000				5,000
Total						5,000	3,000	603	−573	8,030
Airlines Terminal Annex Corp.: Security investment								1,000		1,000
Total, Northeast Airlines, Inc	1,781	8,028	−15,144	14,220	−271	2,661	6,299	2,421	1,362	21,357
Northern Consolidated Airlines, Inc.:										
Amounts due stockholders or companies wholly owned by stockholders: Current				−52,009	8,056	43,953		−9,685	9,685	
Alaska Consolidated Vacations:										
Current						3,219		−3,219		
Security investment						73,818		−73,818		
Total						77,037		−77,037		
Total, Northern Consolidated				−52,009	8,056	120,990		−86,722	9,685	

[6] Represents payable to an affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Northwest Airlines, Inc.: Affiliates:										
Airline ticket office, Chicago:										
Current	$450			−$450						
Security investment	55			−55						
Total	505			−505						
Aeronautical Radio, Inc.:										
Current				29,546	$23,171	$90,781	$666	$13,486	−$52,300	$105,350
Security investment	3,090	$15,530					22,380			41,000
Total	3,090	15,530		29,546	23,171	90,781	23,046	13,486	−52,300	146,350
Air Cargo, Inc.:										
Current			$759	−759	−5,072	5,604	−570	−218	−3,205	[1] −3,461
Security investment	480		1,920							2,400
Total	480		2,679	−759	−5,072	5,604	−570	−218	−3,205	−1,061
Airlines Clearing House, Inc.:										
Current				1,000	−593	93	−400		−100	
Security investment	1,001			−1,000					100	101
Total	1,001				−593	93	−400			101
United States Capital Airlines: Current	400	200					200		−800	
New York Terminal Airport, Inc.:										
Current	2,000	2,000		1,000	−2,860	939	−3,079			
Security investment	250						−250			
Total	2,250	2,000		1,000	−2,860	939	−3,329			
Newark, N. J., operating revolving fund: Current		1,000		−1,000						
Airlines Terminal Corp.: Security investment		33,300			−16,400		−1	1		16,900
Central Air Terminal, Brooklyn: Current			500			−115	−85	−27	77	350
International Air Transportation Association of London: Current				1,000						1,000
Airport Ticket Office Association Corp., Cleveland:										
Current					134	44	3	−30	49	200
Security investment					75				−15	60
Total					209	44	3	−30	34	260
Airlines National Terminal Service Co.: Current					5,489	−6,292	14,035	9,129	549	22,910
Air Traffic Conference of America: Current					−154	154		3,229	−1,815	1,414
East Side Airlines Terminal Corp.:										
Current							3,000	1,290	15,767	20,057
Security investment						5,000				5,000
Total						5,000	3,000	1,290	15,767	25,057
Combined Airlines Ticket Office Association: Current						−455	−80	−226	1,442	681
Air Transport Association: Current							8,227	−4,965	−3,262	
Airlines Ticket Office, Detroit: Current							415	−139	424	700
Westside Airlines Terminal: Security investment							1,000			1,000
Airlines Terminal Annex Corp.: Security investment								1,000		1,000
Combined Airlines Ticket Office, District of Columbia: Current									1,000	1,000
Total, Northwest	7,726	52,030	3,179	29,282	3,790	95,753	45,461	22,530	−42,089	217,662
Ozark Airlines, Inc.: Affiliates: Aeronautical Radio, Inc.: Security investment							1,000			1,000
Total, Ozark							1,000			1,000
Pacific Northern Airlines, Inc.: Affiliates: Aeronautical Radio, Inc.: Security investment							1,000			1,000
Total, Pacific Northern							1,000			1,000
Pan American-Grace Airways, Inc.: Affiliates: Lloyd Aereo Boliviano, capital stock: Security investment	53,542	−55,115	1,573							
Sociedad Nuevo Aeropuerto, Cali, Ltda.:										
Current			38,363		−12,939	−424	4,880			29,880
Security investment			97,721							97,721
Total			136,084		−12,939	−424	4,880			127,601
Total, Pan American-Grace	53,542	−55,115	137,657		−12,939	−424	4,880			127,601
Pan American World Airways, Inc.: Affiliates: Cia. de Aviacion Pan American Argentina, S. A.:										
Current	18,190	91,105	140,187	390,453	1,409,195	−880,191	−809,605	284,507	71,627	715,468
Security investment	12,500									12,500
Total	30,690	91,105	140,187	390,453	1,409,195	−880,191	−809,605	284,507	71,627	727,968

[1] Represents payable to an affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)							Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Pan American World Airways, Inc.—Continued										
Cia Cubana de Aviacion, S. A.:										
Current	$506,373	−$269,543	[8] $26,260							
Security investment	520,000			−$40,000			−$60,000		−$220,000	$200,000
Total	1,026,373	−269,543	26,260	−40,000			−60,000		−220,000	200,000
Cia Mexicana de Aviacion, S. A.:										
Current	1,532,639	[8] −69,420								
Security investment	390,219	−109,809	242,268		$337	$3			4	523,022
Total	1,922,858	−179,229	242,268		337	3			4	523,022
Panair do Brasil, S. A.:										
Current	−162,991	[8] 2,566,708								
Security investment	237,192		−40,895							196,297
Total	74,201	2,566,708	−40,895							196,297
Pan American Air Ferries, Inc.:										
Current	70,894	−22,305	−49,589					$1,000		
Security investment	1,000							−1,000		
Total	71,894	−22,305	−49,589							
Pan American Airways-Africa, Ltd.:										
Current	−17,997	39,235	−22,238	1,862		1,131	−1,362	−631		
Security investment	1,000							−1,000		
Total	−16,997	39,235	−22,238	1,862		1,131	−1,362	−1,631		
Uraba, Medellin & Central Airways, Inc.:										
Current	99,483	2,835	3,324	60,586	38,956	19,010	−9,431	−71,375	51,402	194,790
Security investment	157,500		500							158,000
Total	256,983	2,835	3,824	60,586	38,956	19,010	−9,431	−71,375	51,402	352,790
Pan American Airways Sales Corp.:										
Current	12,195						−12,195			
Security investment	1,000						−1,000			
Total	13,195						−13,195			
Pan American Airports Corp.: Security investment	1,000									1,000
Sociedade Aeroportos Pan Americana de Macau, Ltda.:										
Current	−13,333									−13,333
Security investment	13,333									13,333
Total										
Pan American Airways Corp.:										
Current	−52,380,362	−16,266,386	9,687,619	−26,080,390	85,342,519					
Security investment		23,688	140,663	28,706	−193,057					
Total	−52,380,362	−16,242,698	9,828,282	−26,254,684	85,149,462					
Central Air Terminal, Inc.:										
Current				4,000	−4,000				19,400	19,400
Security investment			10		2,000	2,010	9,247	6,143	−19,400	10
Total			10	4,000	−2,000	2,010	9,247	6,143		19,410
Grandes Hotels, S. A.:										
Current			461,462	286,385	−193,145	−77,082	−82,332	−395,288	361,378	361,378
Security investment			10,526	−10,526	236,842					236,842
Total			471,988	275,859	43,697	−77,082	−82,332	−395,288	361,378	598,220
Radio Aeronautico Venezolano: Security investment			8,955		−8,955					
Aeronautical Radio, Inc.:										
Current					−3,238	23,867	122,261	13,412	−28,822	127,480
Security investment				9,050		10	55,000			64,060
Total				9,050	−3,238	23,877	177,261	13,412	−28,822	191,540
Aeronautical Radio of Siam, Ltd.:										
Current				33,461	4,886	−22,160	−13,321	7,987	6,125	16,978
Security investment				3,846	3,847	692	−4,909			3,476
Total				37,307	8,733	−21,468	−18,230	7,987	6,125	20,454
Airlines clearing house: Security investment				1,001	−500		−400			101
Airlines Terminal Corp.: Security investment				12,700	−6,255	812				7,257
Sociedade de Portuguesa de Agencia Aereas, Ltda.:										
Current				239,928	−179,642	24,742	1,521	−35,099	−51,450	
Security investment				7,979					−7,979	
Total				247,907	−179,642	24,742	1,521	−35,099	−59,429	

[8] In 1945 these national companies were controlled by Pan American. However, in subsequent years, due to decreased stock ownership, control by Pan American ceased and the companies were no longer reported as affiliates. Inasmuch as data on current accounts with nonaffiliated companies are not reported by the carriers, such information is not available for Cubana, Mexicana or Panair do Brasil for the full period covered by this statement.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Pan American World Airways, Inc.—Continued										
Intercontinental Hotels Corp.:										
Current			$1,957	$3	$348,038	$312,565	$749,576	−$1,588,696	$2,530,063	$2,353,506
Security investment					1,000,000					1,000,000
Total			1,957	3	1,348,038	312,565	749,576	−1,588,696	2,530,063	3,353,506
American Overseas Airlines, Inc.:										
Current						−12,090	12,090			
Security investments						12,068	−12,068			
Total						−22	22			
Fast Side Airlines Terminal Corp.:										
Current								358,733	−319,722	39,011
Security investment						15,000				15,000
Total						15,000		358,733	−319,722	54,011
International Aeradio (Caribbean), Ltd.:										
Current							26,007	−3,650	−36	22,321
Security investment						49,380				49,380
Total						49,380	26,007	−3,650	−36	71,701
Radio Aeronautica de Cuba:										
Current				100	−100	31,990	15,602	−22,632	−11,299	13,661
Security investment					103,559	−46,059				57,500
Total				100	103,459	−14,069	15,602	−22,632	−11,299	71,161
Aeropuertos Unidos, S. A.:										
Current								76,464	−6,535	69,929
Security investment								1,000		1,000
Total								77,464	−6,535	70,929
Del Sud Inversora SRL: Security investment									68,125	68,125
Guided Missiles Range Division: Current									316,727	316,727
International Hotels Corp.: Current		$10,549	−10,549							
Total, Pan American World	−$49,000,165	−14,003,343	10,600,460	−25,353,856	87,901,287	−544,302	−15,319	−1,370,125	2,759,608	6,844,219
Piedmont Aviation, Inc.: Affiliates:										
Airlines Clearing House, Inc.:										
Current				1,001	−500	−501				
Security investment						501	−400			101
Total				1,001	−500		−400			101
Aeronautical Radio, Inc.:										
Current				10			−10			
Security investment							5,000			5,000
Total				10			4,990			5,000
Air Cargo, Inc.: Security investment							220			220
Total affiliates				1,011	−500		4,810			5,321
Separately operated divisions: Fixed base division:										
Current				[1]−17,745	4,354	13,391				
Security investment				205,005	−43,388	17,952	125,165	19,584	43,029	367,347
Total separately operated divisions				187,260	−39,034	31,343	125,165	19,584	43,029	367,347
Total, Piedmont				188,271	−39,534	31,343	129,975	19,584	43,029	372,668
Pioneer Air Lines, Inc. (formerly Essair): Affiliates:										
Aeronautical Radio, Inc.: Security investment	10						990			1,000
Airlines Clearing House, Inc.: Security investment		1,001			−500		−400			101
Air Cargo, Inc.: Security investment						220				220
Total, Pioneer	10	1,001			−500	220	590			1,321
Reeve Aleutian Airways, Inc.: None										
Southern Airways, Inc.: Affiliates:										
Airlines Clearing House, Inc.: Security investment					501		−400			101
Aeronautical Radio Corp.: Security investment					10		990			1,000
Total, Southern					511		590			1,101
Southwest Airways: Affiliates:										
Airlines Clearing House: Security investment		1,001			−500		−400			101
Aeronautical Radio, Inc.: Security investment					10		3,990			4,000
Air Cargo, Inc.: Security investment							220			220
Total, Southwest		1,001			−490		3,810			4,321
Trans-Pacific Airlines, Ltd.: Affiliate: Aeronautical Radio Corp.:										
Current							−2,770	1,990	1,831	1,051
Security investment						500	−500			
Total, Trans-Pacific						500	−3,270	1,990	1,831	1,051

[1] Loss.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (−)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Trans-Texas Airways: Affiliates:										
Aeronautical Radio, Inc.:										
Current			$10	−$10	$10	$632	$990	−$178	−$1,059	$395
Security investment				10	−10				1,000	1,000
Total			10			632	990	−178	−59	1,395
Airlines Clearing House, Inc.:										
Current					501		−400		−1	100
Security investment									1	1
Total					501		−400			101
Total affiliates			10		501	632	590	−178	−59	1,496
Separately operated divisions: Sales and service division:										
Current				37,493	−6,321	35,831	−67,003			
Security investment			104,775	−104,775						
Total separately operated divisions			104,775	−67,282	−6,321	35,831	−67,003			
Total, Trans-Texas			104,785	−67,282	−5,820	36,463	−66,413	−178	−59	1,496
Trans World Airways, Inc.: Affiliates:										
New York Airport Terminal, Inc.:										
Current	$2,000	$3,000				−1,000	752		2,000	6,752
Security investment	250									250
Total	2,250	3,000				−1,000	752		2,000	7,002
New Mexico Airport Corp.:										
Current	35,000	85,000	4,792	−59,692	−37,894	−24,920	1,681	9,868	53,988	67,823
Security investment	3,523									3,523
Total	38,523	85,000	4,792	−59,692	−37,894	−24,920	1,681	9,868	53,988	71,346
Aeronautical Radio, Inc.:										
Current	3,081	5,450	1,094	−166	−1,778	1,618	7,566	12,003	−10,995	17,873
Security investment	10,390	32,010								42,400
Total	13,471	37,460	1,094	−166	−1,778	1,618	7,566	12,003	−10,995	60,273
Airlines Terminal, Inc.:										
Current	4,000		−4,000							
Security investment	10		−10							
Total	4,010		−4,010							
Chicago Airlines ticket office:										
Current	450		−450							
Security investment	56		−56							
Total	506		−506							
Air Cargo, Inc.:										
Current					2,587	−2,587		173	−105	68
Security investment	2,000			8,000						10,000
Total	2,000			8,000	2,587	−2,587		173	−105	10,068
Marquette Airlines, Inc.: Security investment	313,333		−313,333							
Airlines Clearing House:										
Current	500				−500	500	−400			100
Security investment	501					−500				1
Total	1,001				−500		−400			101
International Aeradio, Ltd.: Security investment				403					−123	280
Airport Ticket Association Corp.:										
Current					250					250
Security					75					75
Total					325					325
Societe Internationale de Tele-Communications Aeronautiques:										
Current					2,476	−890			−1,586	
Security investment					633		220	12	15	880
Total					3,109	−890	220	12	−1,571	880
East Side Airlines Terminal Corp.:										
Current						4,800	4,200		30,899	39,899
Security investment						15,000				15,000
Total						19,800	4,200		30,899	54,899
Transcontinental & Western Air, Inc.: Security investment						1,000				1,000
Trans World Airlines de Mexico, S. A. C. V.:										
Current						2,780	30	1,606	659	5,075
Security investment						2,849	46	−5		2,890
Total						5,629	76	1,601	659	7,965
Airlines personnel relations conference: Current							1,800			1,800
West Side Airline Terminal, Inc.: Security investment							1,000			1,000
Airlines ticket office, Detroit: Current									955	955
Airlines ticket office: Current	1,260	−1,260								
United States Capital Airlines: Current	550	−550								

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)							Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Trans World Airways Inc.: Affiliates—Con.										
Consolidated Airlines Ticket Office: Current		$750	$807	—$359	—$330	$674	—$614	—$128	$239	$1,039
Airlines Terminal Corp.: Security investment		80,300			—80,300					
Air Transport Association: Current			412	—126	—286	—62	1,491	—95	—1,003	331
Airlines National Terminal Service:										
Current			25,817	—23,121	—2,696					
Security investment					40,752					40,752
Total			25,817	—23,121	38,056					40,752
TWA Agency, Ltd.: Current			108,327	—108,327						
International Air Transport Association: Current			1,000							1,000
Central Air Terminal, Inc.:										
Current			9,225	—1,575	—3,575	—1,575	—2,000			500
Security investment			10							10
Total			9,235	—1,575	—3,575	—1,575	—2,000			510
Combined Airlines Ticket Office (Evanston): Current									2,615	2,615
Total, TWA	$376,904	204,700	—166,365	—184,963	—80,586	—2,313	15,772	23,434	77,558	264,141
West Coast Airlines, Inc.: Affiliates:										
Air Cargo, Inc.: Security investment						220				220
Aeronautical Radio, Inc.:										
Current								1,190	—202	988
Security investment							1,234	1,266		2,500
Total							1,234	2,456	—202	3,488
Empire Air Lines, Inc.: Security investment								1,756	876	2,632
Total, West Coast						220	1,234	4,212	674	6,340
Wien Alaska Airlines, Inc.: Affiliate: Fairbanks Aeronautical Radio Co., Inc.: Security investment				1,695						1,695

Source: Carriers' reports to CAB on Forms 41, 2380, and 2780.

Mr. DOUGLAS. Mr. President, on page 14 of the tabulation it will be found that the Pan American incurred a deficit of $2,530,000 on Intercontinental Hotels Corp. for 1953. The record seems to indicate that this became an expenditure of Pan American. Therefore, it entered into the general financial statement of Pan American and thus became a matter for affecting subsidy by our Government and by our taxpayers.

I have asked that this material be placed in the RECORD so that all Senators and the public may have an opportunity to read it tomorrow morning in the CONGRESSIONAL RECORD, and so that our debate of tomorrow may be somewhat more intelligent.

I should like to remark that what seems to be happening is that we are subsidizing Pan American, which in turn is subsidizing its wholly owned hotel corporation.

LUXURY HOTELS ARE NOT PROPER OBJECTS OF SUBSIDY

Among my papers before me I have a multicolored pamphlet which is distributed to potential customers of both Pan American and its wholly owned subsidiary, Intercontinental Hotels Corp. I wish I could describe all the eloquence which is expressed in connection with the luxurious nature of these hotels, for which we are asked to appropriate, indirectly, subsidies at the expense of the public. I should like to refer first to the Hotel Grande, at Belem, Brazil, and quote from the Pan American pamphlet:

The spacious guest rooms reflect the magnificence of the days of the Amazon throne, yet incorporate every modern facility for comfort and repose, with such features as tile baths, handsome appointments, and deeply comfortable beds.

It is very consoling, Mr. President, that we are able to afford these high-class accommodations on the coast of Brazil, but it is somewhat disconcerting to find that, apparently, American taxpayers are being asked to pay indirectly for part of the expense of them.

The Comptroller General has informed me, under date of April 22, 1955, that this hotel is owned by Pan American.

Let me turn the page to a description of the Hotel Tequendama, in Bogota, Columbia, where, we are shown, there is a magnificent kidney-shaped swimming pool surrounded by cabanas where people may sip their South American drinks in comfort. Also, let us not forget the Hotel Reforma, in Mexico City, which, the advertisement says "is served by spotless kitchens, an international staff and the wine cellar offers a fine assortment of carefully selected vintages."

This hotel is entirely owned by the Intercontinental Hotels Corp., which, in turn, is owned by Pan American.

The headquarters of the Intercontinental Hotels Corp. is in the Chrysler Building, New York City, the same building which houses Pan American World Airways.

Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a list of the officers and directors of the Intercontinental Hotels Corp.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

INTERCONTINENTAL HOTELS CORP.,
CHRYSLER BUILDING,
New York, N. Y.

Wallace Whitaker, chairman of the board; Byron E. Calhoun, president; Oscar G. Balz, vice president; S. J. Roll, vice president; Peter Grimm, vice president; Robert G. Ferguson, treasurer; H. Preston Morris, secretary; R. P. Monson, assistant treasurer; John S. Woodridge, comptroller; James E. Maguire, assistant comptroller; J. Macy, assistant secretary.

Directors: Erwin Balluder, Harold M. Bixby, Byron E. Calhoun, Harold E. Grey, Peter Grimm, Wilbur L. Morrison, Wallace S. Whitaker, John S. Woodridge, Clarence M. Young.

Mr. DOUGLAS. Mr. President, I find that the same man, John S. Woodridge, controller of Pan American, is also controller of International Hotels Corp.

INTEREST-FREE LOAN TO HOTEL SUBSIDIARY

I think the evidence will show that on the 14th of July, 1953, Pan American advanced $2 million to Intercontinental Hotels Corp. By a letter on January 21, 1954, the controller of Pan American Airways informed the Intercontinental Hotels Corp. that this $2 million advance would not bear interest. This act of generosity was accomplished by the same man, writing a letter from himself in one capacity to himself in another capacity.

The foregoing interest on this single advance of Pan American to its hotels amounts to $80,000 a year at 4 percent, an item which we are covering through the subsidies.

I now refer to the Hotel del Prado, Barranquilla, Colombia, the Hotel del Lago, Maracaibo, Venezuela, the Victoria Plaza, in Montevideo, said to contain "400 beautifully decorated rooms, all with private bath, many that convert from luxurious sitting rooms by day and a penthouse with terrace and garden." Also, the Hotel Carrera in Santiago, Chile, featuring the Robinson Crusoe Bar.

I am necessarily describing these features second hand, because I have never been able to pay the freight to visit in person these hotels.

The hotels which I have enumerated are all in the high-priced luxury class, which the average citizen cannot afford, and only the wealthy can. It is a curious sort of enterprise to be the beneficiary, even indirectly, of money provided at the expense of the American people.

In all seriousness, I suggest we put a stop to this sort of thing. If we do not, there will be no end to it. If luxury hotels are allowed because of some indirect connection with persons flying on an airline, why not include distilleries because the airline serves drinks to its passengers?

Mr. President, there are a number of unanswered questions concerning this hotel subsidiary of Pan American. In the first place, the United States Government has no business putting public money, directly or indirectly, into the hotel business. Those Americans who operate hotels in competition with this subsidiary of Pan American would have a very legitimate protest, if they knew what was going on, that these airline subsidies were resulting in unfair competition with their hotel business.

Second, and this is very curious, why, if other Americans can make a profit in the hotel business without benefit of airline subsidies, does not Pan American make a profit on its hotel chain? Why is more money flowing from Pan American to Intercontinental Hotels than is coming back the other way? What is this hotel subsidiary doing with the money it gets from Pan American ?

NO PROPER AUDIT OF PAN-AMERICAN SUBSIDIARIES

In 1954 the House Appropriations Committee had an investigation made, the full details of which are not available, but the gentleman from New York, Mr. Rooney, asked this question of Mr. Gurney—I am now quoting from the House investigative report:

Mr. ROONEY. What do you have to say about this statement?

Most of the subsidies on Pan American have never been properly audited by CAB. A good example is their subsidiary, the Intercontinental Hotels Corp.

Mr. Gurney replied:

That is a correct statement in that those subsidiaries have not been audited.

The House Appropriations Committee concluded in House Report 207, pages 6 and 7:

A report from the investigative staff of this committee dated December 20, 1954, contained the following:

"The survey indicates that the Civil Aeronautics Board does not have accurate facts or figures regarding Pan American operations. Most of the subsidiaries have never been properly audited and some not at all, and there has not been insistence that the operations of the entire system be treated as an entity, as required by a recent Supreme Court decision. If corrective action were taken, substantial cuts in subsidy should result."

That was one of the reasons why the House committee reduced the subsidy to airlines.

LARGE TAX ALLOWANCES MADE TO SOME AIRLINES

Mr. President, that is the first item about which I am very critical. The second item is the fact that, apparently, CAB has been paying the income taxes of a number of airlines, and this has been particularly evident in the case of Pan American.

I wish to speak very carefully now. I believe there is information extant which shows the extent of the income taxes which have been paid by the Government in the accounts of these airlines. I believe the copy I now hold in my hand is an authentic copy of this fundamental document. Due to certain developments, it is not quite certain that what I now hold can be described as the official report. I can only say that to the best of my knowledge and belief it is a correct copy of the official report on allowances for Federal income taxes and mail rates for the calendar years 1946 through 1953.

Mr. President, I ask unanimous consent to insert this document in the RECORD with the understanding that if any Senator who is in possession of the original raises an objection before the CONGRESSIONAL RECORD goes to print tonight, I shall withdraw the document from the RECORD, because I do not wish to sponsor any material of which I do not have authorized possession, and which Senators who do have authorized possession do not wish to have published.

I do not want to question the good faith of any Senator in this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Allowances for Federal income taxes in final mail rates, calendar years 1946–53

DOMESTIC TRUNK LINES, INTERNATIONAL, OVERSEAS, AND TERRITORIAL AIR CARRIERS

	1946	1947	1948	1949	1950	1951	1952	1953
1. American Airlines, Inc.:								
Domestic	$159,083	(1)	(1)	(1)	(1)	$336,688	$381,286	$394,977
International	(2)	$2,117	$457	$5,000	$52,500	3,621	3,939	4,223
2. (a) Braniff Airways, Inc.:								
Domestic	32,602	217,000	337,000	377,000	377,000	291,096	37,258	40,661
International (began operations June 4, 1948)	(2)	(2)	(4)	(4)	(4)	(4)	(4)	(4)
(b) Mid-Continent Airlines, Inc. (merged with Braniff Airways Inc. Aug. 16, 1952)	21,958	29,919	76,212	95,000	108,426	208,712	195,622	(3)
3. Capital Airlines, Inc. (changed from Pennsylvania-Central Airlines Corp. June 22, 1948)	14,263	98,308	101,612	189,000	189,000	153,911	42,143	56,436
4. Caribbean-Atlantic Airlines, Inc	3,275	5,392	8,046	1,168	0	0	0	0
5. (a) Delta Airlines, Inc. (changed from Delta Air Corp. Feb. 13, 1946):								
Domestic	16,751	98,654	281,360	280,952	280,952	221,707	42,728	(4)
International (operations began May 1, 1953)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(4)
(b) Chicago and Southern Air Lines, Inc. (merged with Delta Airlines, Inc. May 1, 1953):								
Domestic	148,580	148,580	206,762	193,801	193,801	263,179	469,000	154,207
International (began operations Nov. 1, 1946)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
6. Colonial Airlines, Inc.:								
Domestic	20,879	0	0	0	0	0	0	0
International (began operations Aug. 1, 1947)	(4)	12,004	9,340	0	0	0	0	0
7. Continental Air Lines, Inc	48,041	60,511	66,578	110,602	140,846	150,793	180,300	180,300
8. Eastern Air Lines, Inc.:								
Domestic	69,431	(1)	(1)	(1)	(1)	123,284	126,248	132,485
International (began operations Sept. 9, 1946)	223	668	34,814	34,289	50,328	9,111	10,519	14,182
9. Hawaiian Airlines, Ltd	489	766	1,031	1,018	0	88,128	176,255	(4)
10. National Airlines, Inc.:								
Domestic	34,550	(4)	(4)	(4)	(4)	(4)	30,100	34,691
International (began operations Dec. 15, 1946)	8	154	(4)	(4)	(4)	(4)	343	51,278
11. Northeast Airlines, Inc	91,495	32,007	0	211,745	115,900	0	226,612	380,319
12. Northwest Airlines, Inc.:								
Domestic	42,542	45,210	0		0	(4)	68,327	73,502
International (began operations Sept. 1, 1946)	241	0	0	0	0	(4)	652,039	929,061
13. Pan American-Grace Airways, Inc	108,350	7,090	2,691	0	191,000	262,156	441,000	441,000

See footnotes at end of table.

Allowances for Federal income taxes in final mail rates, calendar years 1946–53—Continued

DOMESTIC TRUNK LINES, INTERNATIONAL, OVERSEAS, AND TERRITORIAL AIR CARRIERS—Continued

	1946	1947	1948	1949	1950	1951	1952	1953
14. (a) Pan American World Airways, Inc. (changed from Pan American Airways, Inc., Jan. 3, 1950):								
Alaska division	0	0	0	0	$128,000	$203,500	$197,000	$197,000
Atlantic division	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Latin American division	$38,927	$59,643	$14,397	0	1,279,000	620,000	(4)	3,388,000
Pacific division	0	638,000	850,000	0	1,716,000	1,845,000	1,845,000	1,853,000
(b) American Overseas Airlines, Inc. (merged with Pan American World Airways, Inc., Sept. 25, 1950)	(4)	(4)	(4)	(4)	(4)	(3)	(3)	(3)
15. Trans-Pacific Airlines, Ltd. (began operations May 15, 1951)	(3)	(3)	(3)	(3)	(3)	0	0	(4)
16. Trans World Airlines, Inc. (changed from Transcontinental & Western Air, Inc., May 17, 1950):								
Domestic	143,989	(1)	(1)	(1)	(1)	262,182	242,987	284,980
International	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
17. United Air Lines, Inc.:								
Domestic	211,815	(1)	(1)	(1)	(1)	400,333	460,452	441,063
International (began operations May 1, 1947)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	17,643
18. (a) Western Air Lines, Inc.	(4)	(4)	(4)	$256,000	256,000	199,550	28,498	35,429
(b) Inland Air Lines, Inc. (merged with Western Air Lines, Inc., (Apr. 10, 1952)	5,415	29,894	37,536	45,470	45,470	35,357	1,388	(3)
Total domestic trunklines, international, overseas, and territorial air carriers	1,212,907	1,485,917	2,027,836	1,801,045	5,124,223	5,678,308	5,859,044	9,054,437

LOCAL SERVICE AIR CARRIERS

1. Allegheny Airlines, Inc. (changed from All American Airways, Inc., Feb. 10, 1953, which had been All American Aviation, Inc., until Nov. 12, 1948)	$17,435	$25,826	$7,533	0	0	0	0	0
2. Bonanza Air Lines, Inc. (began operations Dec. 19, 1949)	(3)	(3)	(3)	0	0	0	0	0
3. Central Airlines, Inc. (began operations Sept. 15, 1949)	(3)	(3)	(3)	0	0	0	0	0
4. Florida Airways, Inc. (operated Jan. 10, 1947, through Mar. 28, 1949)	(3)	14,190	12,775	$2,451	(3)	(3)	(3)	(3)
5. (a) Challenger Airlines Co. (began operations May 3, 1947; merged into Frontier Airlines, Inc., June 1, 1950)	(3)	2,082	3,123	521	0	(3)	(3)	(3)
(b) Monarch Air Lines, Inc. (began operations Nov. 27, 1946; merged into Frontier Airlines, Inc., June 1, 1950)	1,707	20,476	20,476	21,429	$5,357	(3)	(3)	(3)
(c) Frontier Airlines, Inc. (began operations June 1, 1950)	(3)	(3)	(3)	(3)	0	0	$67,446	$73,577
6. Helicopter Air Service (began operations Aug. 20, 1949)	(3)	(3)	(3)	6,996	19,053	$17,208	11,734	11,734
7. Lake Central Airlines, Inc. (began operations Nov. 12, 1949; name changed from Turner Airlines, Inc., Nov. 24, 1950)	(3)	(3)	(3)	0	0	0	0	0
8. Los Angeles Airways, Inc. (began operations Oct. 1, 1947)	(3)	2,825	11,235	11,202	11,202	12,123	3,346	(4)
9. Mid-West Airlines, Inc. (operated Oct. 21, 1949, through May 15, 1952)	(3)	(3)	(3)	0	0	0	0	(3)
10. Mohawk Airlines, Inc. (began operations Sept. 19, 1948 as Robinson Aviation, Inc.; changed to Robinson Airlines Corp. Nov. 9, 1949; and then to Mohawk Airlines Aug. 23, 1952)	(3)	(3)	0	0	0	22,643	51,272	63,333
11. New York Airways, Inc. (began operations Oct. 15, 1952)	(3)	(3)	(3)	(3)	(3)	(3)	0	0
12. North Central Airlines, Inc. (began operations Feb. 24, 1948, as Wisconsin Central Airlines, Inc.; changed to North Central Airlines, Inc. Dec. 16, 1952)	(3)	(3)	0	0	0	(4)	(4)	(4)
13. Ozark Air Lines, Inc. (began operations Sept. 26, 1950)	(3)	(3)	(3)	(3)	0	0	0	0
14. Parks Air Lines, Inc. (operated September 1950 only)	(3)	(3)	(3)	(3)	0	(3)	(3)	(3)
15. Piedmont Aviation, Inc. (began operations Feb. 20, 1948)	(3)	(3)	11,082	13,298	51,703	53,559	82,138	(4)
16. Pioneer Air Lines, Inc. (changed from Essair, Inc., June 17, 1946)	9,145	38,342	44,861	23,008	0	0	0	0
17. Southern Airways, Inc. (began operations June 10, 1949)	(3)	(3)	(3)	0	0	0	0	0
18. Southwest Airways Co. (began operations Dec. 2, 1946)	2,523	30,282	28,930	28,480	38,986	56,556	91,261	(4)
19. Trans-Texas Airways (began operations Oct. 11, 1947)	(3)	3,786	15,140	15,140	29,424	39,626	39,626	(4)
20. (a) West Coast Airlines, Inc., (began operations Dec. 5, 1946)	1,690	20,278	20,016	19,230	25,700	25,700	35,512	(4)
(b) Empire Air Lines, Inc. (began operations Sept. 28, 1946: merged with West Coast Airlines, Inc., Aug., 1, 1952)	4,807	19,228	3,205	5,778	23,111	23,111	13,481	(3)
21. E. W. Wiggins Airways, Inc. (operated Sept. 19, 1949, through June 30, 1953)	(3)	(3)	(3)	0	0	0	0	0
Total local service air carriers and helicopter operators	37,307	177,315	178,376	147,533	204,536	250,526	395,816	148,644

ALASKAN AIR CARRIERS

1. Alaska Airlines, Inc.:								
States-Alaska (operations began Aug. 17, 1951)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	0
Intra-Alaska	$33,370	(4)	(4)	(4)	(4)	(4)	(4)	0
2. Alaska Coastal Airlines (copartnership consisting of Alaska Air Transport, Inc., and Marine Airways Corp.; operations began June 9, 1947)	(3)	$1,629	$2,899	$2,609	$2,609	$2,609	$8,442	$8,442
3. (a) Lon Brennan Air Service (Edward A. Brennan, an individual, operated June 20, 1950, through Jan. 11, 1951)	(3)	(3)	(3)	(3)	264	15	(3)	(3)
(b) Byers Airways, Inc. (began operations Jan. 12, 1951, as Byers Airways, a partnership consisting of Robert Dale Byers and Gladys Byers. Changed to corporation Dec. 10, 1953)	(3)	(3)	(3)	(3)	(3)	7,956	4,616	1,097
4. Christensen Air Service (Hakon Christensen, an individual, operated Mar 25, 1952, through July 6, 1952)	(3)	(3)	(3)	(3)	(3)	(3)	11	(3)
5. Cordova Airlines, Inc. (changed from Cordova Air Service, Inc., Feb. 26, 1953)	1,057	1,057	1,057	1,057	1,057	1,058	5,383	5,383
6. Ellis Air Lines (a coporation, began mail service June 9, 1947)	(3)	4,692	8,353	7,519	7,519	7,519	26,564	26,564
7. Northern Consolidated Airlines, Inc. (name changed from Northern Airways, a partnership consisting of Frank V. and Hazel M. Pollack and Terrence W. McDonald, Dec. 1, 1947)	(3)	(4)	22,972	20,675	20,675	20,675	28,146	35,618
8. Pacific Northern Airlines, Inc. (changed from Pacific Northern Airlines, a partnership consisting of Arthur G. and Letha M. Woodley and Mary E. Diamond, Aug. 1, 1947)	11,146	11,146	11,146	10,031	10,031	10,032	53,357	53,357
9. Reeve Aleutian Airways, Inc. (began operations Apr. 8, 1948, as Reeve Airways, consisting of Robert C. Reeve, an individual. Changed to corporation Apr. 2, 1951)	(3)	(3)	8,039	9,928	9,929	9,929	7,553	5,179
10. Wien Alaska Airlines, Inc.	21,326	21,326	21,326	19,193	19,193	19,193	22,007	13,470
Total Alaskan air carriers	66,899	39,850	75,792	71,012	71,277	78,986	156,079	149,110

See footnote at end of table.

Allowances for Federal income taxes in final mail rates, calendar years 1946–53—Continued

SUMMARY

	1946	1947	1948	1949	1950	1951	1952	1953
I. Domestic trunk lines, international, overseas, and territorial air carriers	$1,212,907	$1,485,917	$2,027,836	$1,801,045	$5,124,223	$5,678,308	$5,859,044	$9,054,437
II. Local service air carriers and helicopter operators	37,307	177,315	178,376	147,533	204,536	250,526	395,816	148,644
III. Alaskan air carriers	66,899	39,850	75,792	71,012	71,277	78,986	156,079	149,110
Total, all carriers	1,317,113	1,703,082	2,282,004	2,019,590	5,400,036	6,007,820	6,410,939	9,352,191

[1] For detail as to these years, see accompanying memorandum.
[2] Included with domestic.
[3] Indicates no operation conducted during the particular year, and no mail rate established by Board.
[4] Indicates rate is temporary, and no final rate established for all or part of such year, as of June 15, 1954.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Does the Senator from Illinois mean to have the Senate understand that some Senator or Senators have possession of the original of the document which the Senator from Illinois has just described?

Mr. DOUGLAS. That is my understanding.

Mr. HOLLAND. In order that the matter might be crystal clear, I wish that the Senator from Illinois would be frank enough to state names and give facts, so that Senators will know what the situation is to which the Senator from Illinois is adverting.

Mr. DOUGLAS. There is some doubt as to who now possesses, or has title to—perhaps that is a better phrase—this document. I do not wish to decide that question. I simply say that I am not so much interested in the question of who has the title to the document; I am more interested in the substantive question as to who owed the income taxes in the past, for which the CAB has made payment. And I am interested in making that information available to the Senate.

I should like to shift the discussion away from the matter as to who has title to the document, to the question of what the document itself discloses, subject always to the reservation that I have a photostatic copy of what purports to be the original, and I have been around long enough to know that sometimes photostatic copies are not completely accurate.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Will the Senator from Illinois be sufficiently candid to state for the RECORD the source of his document, so that the Senate may at least have some opportunity to know something about its authenticity?

Mr. DOUGLAS. It is headed "Allowances for Federal Income Taxes in Final Mail Rates, Calendar Years 1946–53," which I believe was submitted by the Civil Aeronautics Board in June 1954, and which was not at any time, to my knowledge, marked "classified."

Mr. HOLLAND. The Senator has not answered the question—perhaps he does not care to do so—as to the source of the document which he offers for the RECORD.

Mr. DOUGLAS. I think it comes from the Civil Aeronautics Board.

Mr. HOLLAND. Did it come from CAA to the Senator from Illinois?

Mr. DOUGLAS. No.

Mr. HOLLAND. From whom did the Senator from Illinois get it, if he does not mind saying?

Mr. DOUGLAS. I should prefer not to discuss that.

Mr. HOLLAND. Will the Senator be good enough to state to whom the report went from the Civil Aeronautics Board?

Mr. DOUGLAS. It went to the Senator whose name I prefer at the moment not to give.

Mr. HOLLAND. The Senator from Illinois is not mentioning the Senator from Florida in that connection, is he?

Mr. DOUGLAS. No; I am not.

Mr. HOLLAND. What possible reason would there be why the Senator from Illinois could not communicate to his brethren in the Senate information which he seems to have and which he says indicates that some Senator received the report and presumably has possession of it?

Mr. DOUGLAS. The Senator from Florida is well aware of the fact, because I have been in telephonic conversation with him today, that I have been endeavoring to get an authorized release of the material. There have been difficulties in communication. I had not been able to obtain an authorized release, as of the moment in which I took the floor. Therefore, I am placing the document in the RECORD on the basis that it is accurate according to my best knowledge and belief, and that if any Senator objects to it, either on the ground that it is his property or that it is not an accurate photostat, he may do so, and I will see to it that the document is withdrawn from the RECORD before the time the RECORD goes to publication. I do not know how I could be any fairer or more careful than that.

Mr. HOLLAND. I know what the Senator from Illinois is adverting to, because I talked to him over the phone this morning. I advised the Senator from Illinois as to all the facts which were within my knowledge. I suggested that he get in touch directly with the Senator whom the Senator from Illinois said has the document—or had it in the past—and my understanding from the Senator from Illinois was that it was his intention to do so. Has the Senator from Illinois followed that course?

Mr. DOUGLAS. A preliminary attempt was made, but until I came on the floor I was engaged in helping to conduct a hearing on the Salk vaccine. The other Senator in question was presiding at another hearing, and I have not been able to obtain his formal consent.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Is the Senate to understand that the Senator from Illinois intends to continue with his efforts to secure the release of the document by the unnamed Senator—who, he says, is not the Senator from Florida, but is another Senator—who had the document, or so the Senator from Illinois, at least, understands, so that the Senate may be advised as to what the result of that communication has been?

Mr. DOUGLAS. I certainly intend to do so.

Mr. HOLLAND. I thank the Senator from Illinois.

TAX ALLOWANCES TO PAN-AM TOTALED OVER $9 MILLION

Mr. DOUGLAS. With the understanding that if this is not an accurate copy, it may later be stricken, I should like to point out that the record indicates that in 1953 Pan American World Airways, Inc., was allowed $1,853,000 as allowance for taxes to be paid by the Pacific division; $3,888,000 for taxes paid on the Latin American division; and $197,000 for taxes paid on the Alaska division.

Taxes were paid on the Atlantic division, and there is good reason to believe that the amount of tax allowance proposed by CAB for the Pan American Atlantic division is $3,892,000.

In the document which I hold, the symbol "T", which is placed opposite their Atlantic division, as I understand it, refers to a temporary rate granted to take account of the tax, with the understanding that when the proper amount was determined, some money might be recaptured.

We therefore have, for a certainty, $5,400,000 in income taxes of Pan American assumed by CAB in 1953, and a temporary rate granted of approximately $3,900,000 more for the Atlantic division, making a probable total of $9.3 million.

I wish to emphasize that that was for the calendar year 1953, but there is every reason to believe that this practice, long established, is still being continued, and that it enters into the item of subsidies which are being requested for the fiscal year 1955–56.

I do not believe the Federal Government should make a practice of paying income taxes for its subsidized lines.

CONGRESS IS NOT OBLIGATED TO SUBSIDIZE AIRLINES' TAX PAYMENTS

I now wish to submit for the RECORD a memorandum which has been submitted to me by Mr. James P. Radigan, Jr., senior specialist in American law, of the Library of Congress Legislative Refer-

ence Service, to whom I addressed the question:

Is Congress obligated to appropriate subsidies to enable the Civil Aeronautics Board to provide allowances to carriers to pay their Federal income taxes?

I now read from the report of Mr. Radigan:

There is no obligation on the part of Congress to appropriate subsidies to be granted air carriers to enable them to pay their Federal income taxes.

To assume the creation of such an obligation would require disregarding the results of Parliament's long struggle with the Crown for control of the purse strings and surrendering one of the prohibitions of article I, section 9 of the United States Constitution, viz, the restriction upon the disbursing power of the executive department carried in clause 7 of said section. * * *

The projection of the authority to provide subsidies granted under the terms of section 406 of the Civil Aeronautics Act of 1938 * * * across the separation of powers barrier, by transposing such authority into a delegation of plenary power to the Civil Aeronautics Board, to require the Congress to appropriate all sums subjectively determined by the Board as needed by air carriers to enable them to develop, fails to consider the realities involved in arriving at the estimates of subsidies.

There are certain other passages which I shall put in the RECORD, but which I shall omit reading. It concludes as follows:

Granting arguendo that air carriers are entitled to reasonable compensation for services performed, it does not follow that the Congress is obligated to appropriate the subsidies estimated as needed for estimated future service.

Today's estimates of tomorrow's subsidies are not today's obligations for yesterday's subsidies.

Mr. President, I ask unanimous consent, if it has not already been given, that the entire memorandum be printed in the body of the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
Washington, D. C., June 14, 1955.

To: Hon. PAUL H. DOUGLAS.

From: James P. Radigan, Jr., senior specialist in American law.

Subject: Is Congress obligated to appropriate subsidies to enable the Civil Aeronautics Board to provide allowances to carriers to pay their Federal income taxes?

There is no obligation on the part of the Congress to appropriate subsidies to be granted air carriers to enable them to pay their Federal income taxes.

To assume the creation of such an obligation would require disregarding the results of Parliament's long struggle with the Crown for control of the purse strings and surrendering one of the prohibitions of article I, section 9 of the United States Constitution, viz, the restriction upon the disbursing power of the executive department carried in clause 7 of said section. See *Cincinnati Soap Co.* v. *United States* ((1937) 301 U. S. 308).

The projection of the authority to provide subsidies granted under the terms of section 406 of the Civil Aeronautics Act of 1938 (52 Stat. 998; 49 U. S. C. 486) across the separation of powers barrier, by transposing such authority into a delegation of plenary power to the Civil Aeronautics Board, to require the Congress to appropriate all sums subjectively determined by the Board as needed by air carriers to enable them to develop, fails to consider the realities involved in arriving at the estimates of subsidies.

The estimates for subsidies submitted by the Civil Aeronautics Board are composed of the amounts estimated as needed in the coming year by the carriers to enable them to develop to the extent required for the commerce of the United States, the postal service, and the national defense, and the amounts needed to adjust upward previously granted subsidies.

It is certainly ingenious rationalization of the factual situation and the applicable law to allege that the part of estimates requested 1 year for subsidy appropriations for the next year is equivalent to a request for payment of obligations for the cost of transporting mail under contract. How could there possibly be a fixed amount of obligations to pay when the services have not been rendered?

It certainly requires a plethora of legal talents to transform into fifth amendment just compensation obligations that part of the estimates for subsidy appropriation requested for supplemental payments for mail already transported under an established rate.

If the Civil Aeronautics Board has no authority on the basis of the carriers' needs to make rates retroactive past the date of the filing of the petition for the establishment thereof, *Transcontinental & Western Air, Inc.* v. *Civil Aeronautics Board* ((1949) 336 U. S. 601), a fortiori, it has no right to obligate the Congress to appropriate all amounts of subsidies it subjectively determines the carriers need. If no mandamus or other legal remedy lies against any officer of the Treasury Department on a claim against the United States where no appropriation to pay it has been made, *Reeside* v. *Walker* ((1850) 11 How. 272), a fortiori, the Civil Aeronautics Board cannot obligate the Congress to appropriate subsidies. The absolute control of the moneys of the United States is in Congress, and Congress is responsible for its exercise of this great power only to the people. *Hart's Case* ((1880) 16 Ct. Cls. 459, 484, affirmed 118 U. S. 62). An appropriation of money by Congress for a specific object is an implied authority for the President to do the thing, provided it can be done within the limits of the appropriations (6 Op. Atty. Gen. 26 (1853)). Nothing more than the right to include subsidies within the mail rate and within the appropriations therefore is granted.

The foundation upon which the air carrier subsidy edifice has been erected is the so-called need clause of the second sentence of section 406 (b) of the Civil Aeronautics Act of 1938 (49 U. S. C. 486). That the Congress did not expressly delegate its exclusive basic appropriating powers to the Civil Aeronautics Board by the terms of this provision is beyond question. To contend that Congress impliedly delegated the power, which must be contended to support the thesis of obligatory appropriations, requires a "dreamed-up" legislative intent for section 406, which, to say the least, does not appear from the background circumstances which brought the problem before the Congress or from the legislative history of the enactment that is discoverable from the committee reports and the debate.

A statute should not be construed as making an appropriation unless the language is sufficiently explicit to clearly justify it; and authority to use public moneys shall not rise by inference without very clear terms requiring it (18 Op. Atty. Gen. 174, 176 (1885)). We do not have such explicit or clear language in section 406.

If this section does, in effect, delegate the appropriating power of Congress to the Civil Aeronautics Board, as is contended by the proponents of obligatory appropriations, then it is probably unconstitutional. Congress has the exclusive power to appropriate Federal funds, *Ohio* v. *United States Civil Service Commission* ((1946) 65 F. Supp. 776); *Neustein* v. *Mitchell* ((1943) 52 F. Supp. 531); and such legislative power may not be delegated. *Marshall Field* v. *Clark* ((1892) 143 U. S. 649); *Panama Refining Co.* v. *Ryan* ((1935) 293 U. S. 388). It is for Congress, proceeding under the Constitution, and not for the Civil Aeronautics Board, to say what amount may be drawn from the Treasury in pursuance of an appropriation. *Hooe* v. *United States* ((1910 218 U. S. 322). It is essential to the successful working of our government that the persons entrusted with powers in one branch shall not be permitted to enroach upon the powers confided to another branch, but that each shall, by the law of its creation, be limited to the exercise of the powers appropriate to its own branch and to no other. *Kilbourn* v. *Thompson* ((1880) 103 U. S. 168).

Another ground upon which the proponents of the theory that the Congress is obligated to appropriate subsidies estimated by the Civil Aeronautics Board as required by air carriers, seems to emanate from the mandatory duties imposed upon the Postmaster General and the air carriers under the terms of the Civil Aeronautics Act. Granting arguendo that air carriers are entitled to reasonable compensation for services performed, it does not follow that the Congress is obligated to appropriate the subsidies estimated as needed for estimated future service.

Today's estimates of tomorrow's subsidies are not today's obligations for yesterday's subsidies.

FAILURE OF CAB TO IMPLEMENT SUPREME COURT DECISIONS OF FEBRUARY 1954

Mr. DOUGLAS. Mr. President, a third point is the fact that on the 1st of February 1954, the Supreme Court handed down two very basic decisions in the case of airline pay and airline subsidies. One decision consolidated two cases, namely the CAB against Summerfield and the Delta Air Lines against Summerfield. The other cases consolidated the suit of CAB against Summerfield on behalf of the Postmaster General, Western Air Lines; and Western Air Lines against the CAB, Summerfield, and so on.

The Court, in a unanimous opinion in these two cases, held that we should not judge the need of a carrier by the financial record of a given division or department of its operation, but that we should judge the financial ability of the carrier by its over-all status, taking into consideration all branches of its business, and consolidating the carrier in its entirety.

I wish to read, if I may, from those decisions. I read first from CAB against Summerfield and Delta Air Lines against Summerfield. The Court held:

The "need" of the carrier is measured by the entirety of its operations, not by the losses of one division or department.

In the other case the Court held:

We read the act as meaning that "the need" of the carrier which Congress has directed the Board to consider in fixing the subsidy rate is "the need" of the carrier as a whole.

Mr. President, those were two very fundamental decisions. As I understand, a great deal of money is involved in this issue, because in the past, payments have been made on the basis of losses involved in one division of operations which might be in the red, though the company as a whole was very much in the black. I have reason to believe

that the Solicitor of the Post Office Department has very recently stated that since none of the cases listed in the tabulation has been finally determined by the Board, the Department is unable to present any final results as to what has been done in these matters.

POSSIBLE CLAIMS MAY AGGREGATE $50 MILLION

If this information is correct, and I believe it is, it would seem to indicate that the CAB, after 15 months, has not only not succeeded in getting back the $654,000 involved in the original test case, but also have not proceeded against other carriers to whom similar payments were made in parallel cases.

Mr. President, I ask unanimous consent to insert the referenced tabulation at this point in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

[From the CONGRESSIONAL RECORD of June 8, 1954]

REDUCING AIRMAIL SUBSIDIES

(Extension of remarks of Hon. HARLEY M. KILGORE, of West Virginia, in the Senate of the United States Tuesday, June 8, 1954)

Mr. KILGORE. Mr. President, I ask unanimous consent to have printed in the RECORD my exchange of correspondence with the Postmaster General concerning the amount of excess earnings of airmail contractors which could be applied under the offset principle of the Supreme Court decisions of February 1, 1954, in Summerfield against Civil Aeronautics Board, to reduce airline subsidy claims.

I note that in his letter of June 5 to me, Postmaster General Summerfield upholds the statement of Congressman GARY and the Senator from Massachusetts [Mr. KENNEDY] to the effect that the protests under the offset principle do total exactly $35,034,000.

Furthermore, Mr. President, the Postmaster General notes in his letter that subsequent to the period referred to in the statements of Congressman GARY and the Senator from Massachusetts additional exhibits and other legal documents have come forward pointing to an additional $15,764,000 which could be used to reduce airline subsidy claims.

That brings the total of disputed amounts to $50,798,000, and I might note for the record, Mr. President, that these figures more than substantiate the suggestion of the distinguished junior Senator from Massachusetts [Mr. KENNEDY] that the airmail subsidy appropriations requested by the Civil Aeronautics Board could well be reduced by $50 million.

Mr. President, the letters which I desire to have printed in the RECORD are a copy of the letter of May 24, 1954, from me to Postmaster General Summerfield, and the letter of June 5, 1954, from Postmaster General Summerfield to me, together with a tabulation attached to the letter.

There being no objection, the letters and tabulation were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
May 24, 1954.

The Honorable ARTHUR E. SUMMERFIELD,
Postmaster General of the United States, Washington, D. C.

DEAR GENERAL SUMMERFIELD: On page 2603 of the CONGRESSIONAL RECORD of March 3, 1954, appears a statement by Congressman GARY, who, as you know, occupies the same position in the House that I do in the Senate, namely, ranking minority member of the Treasury-Post Office Subcommittee of the Appropriations Committee.

At our hearings on the Civil Aeronautics Board's request for appropriation for airmail subsidies Congressman GARY's statement has been called into question by representatives of the Air Transport Association and the Civil Aeronautics Board. I would appreciate knowing from you whether the statement by Congressman GARY is correct, especially his itemization of various briefs, exceptions, and other legal documents filed by you totaling approximately $35,034,000.

If the Congressman's statement is not correct, could you furnish me with the total figure of excess earnings of the airlines which, in the opinion expressed in your legal documents in the cases mentioned by the Congressman, could be applied under the offset principle of the Supreme Court to reduce airline subsidy claims.

It would also be appreciated if you could give us an idea concerning excess earnings to which the offset principle might be applicable to subsidy claims in periods subsequent to those covered in the documents mentioned by Congressman GARY.

Finally, it would be greatly appreciated if you could furnish me with a list of the airmail payments claimed by carriers, or proposed by CAB or its examiners, in the cases referred to by the Congressman, to which you have taken exception.

It would be appreciated if your reply could be received prior to consideration of the appropriation bill, H. R. 8067, in the mark-up session of our subcommittee.

With best personal wishes, I remain,
Sincerely yours,

H. M. KILGORE.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 5, 1954.

Hon. HARLEY M. KILGORE,
United States Senate.

DEAR SENATOR KILGORE: My staff informs me that the figure of $35,034,000 does represent the totalization of claims previously asserted by the Department in those various proceedings before the Civil Aeronautics Board referred to in your letter of inquiry of May 24, 1954.

I am also informed that additional claims as to excess earnings have been or are being asserted by the Department in those same proceedings for other rate periods after more complete and detailed data are made available for analyses and presentation. These claims involve the past calendar year of 1953 in the case of Pan American World Airways and Trans-World Airlines, and the rate period commencing December 16, 1950, for Delta Air Lines, as successor in interest to Chicago & Southern Air Lines. Our assertions and the related airmail pay claims of the carriers, in accordance with your request, are set forth on the basis of presently available information in the attachment to this letter of reply.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

	Total mail day claimed by carrier or proposed in dockets (see footnotes)	Assertion by Post Office Department as referred in your letter	Additional assertions by Post Office Department on offset principle
Delta—Latin American operation rate periods:			
Nov. 1, 1946, through Dec. 15, 1950	[1] $3,662,000	[2] $654,000	[3] $200,000
Dec. 16, 1950, through Dec. 15, 1951	[4] 1,855,000		[5] 938,000
(The above 2 periods relate to Chicago & Southern and are involved in the Supreme Court case.)			
May 1, 1953, through Apr. 30, 1954	[6] 792,000		[7] 954,000
Western (Supreme Court case) rate period: May 1, 1944, through Dec. 31, 1948	[8] 3,917,361	[2] 350,000	
Pan American—Atlantic rate period:			
Jan. 1, 1946, through Dec. 31, 1952	[9] 71,089,000	5,015,000	
Jan. 1, 1953, through Dec. 31, 1953	[6] 15,915,000		[10] 1,800,000
TWA—International rate periods:			
Feb. 5, 1946, through Dec. 31, 1952	[9] 54,608,000	12,158,000	
Jan. 1, 1953, through Dec. 31, 1953	[9] 8,507,000		[11] 11,872,000
United—Hawaiian operation rate period: Apr. 30, 1947, through Aug. 7, 1952	[12] 14,595,503	15,857,000	
Braniff—Latin American operations rate periods:			
June 4, 1948, through Dec. 31, 1953	[13] 11,867,000	1,000,000	
Jan. 1, 1954, through Dec. 31, 1954	[14] 2,671,000		
Total	189,568,864	35,034,000	15,764,000
Total		50,798,000	

[1] CAB Order E-5793, Oct. 18, 1951, CAB Docket No. 2564; reviewed by Supreme Court.
[2] May be increased by tax benefits. In the case of Western, the Supreme Court decision referred to a profit of approximately $350,000; Post Office's brief referred to a profit of $447,000.
[3] Additional assertion due to $200,000 error in previous computations prepared by CAB rate staff.
[4] CAB Statement of Tentative Findings and Conclusions, Order E-5385, May 18, 1951, CAB Docket No. 2564; later affirmed by CAB Order E-5793, see note 1 above.
[5] Computed from carrier's domestic operation, reported net profit for the year 1951, CAB's recurrent reports; and carrier's domestic investment as recognized by Board in its order No. E-5869, Nov. 15, 1951, Docket No. 5144, for Chicago & Southern, domestic operations.
[6] CAB Statement of Provisional Findings and Conclusions, E-7738, Sept. 21, 1953, CAB Docket No. 6610, Delta Latin American operations.
[7] Postmaster General's Answer to Board's Order E-7738 of Sept. 21, 1953, CAB Docket No. 6610, see note 6 above.
[8] CAB Order E-5782, Oct. 12, 1951, CAB Docket No. 2870 et al.; reviewed by Supreme Court.
[9] Initial decision of examiner, Mar. 26, 1954, on the consolidated Transatlantic Final Mail Rate Case, CAB Docket No. 1706, et al.
[10] The above figure computed from CAB's rate staff figures of excess profit of $864,000 for Pan American's Pacific division for 1953, but increased for tax benefits; and without recognition of reported losses on Pan American's Alaska and Latin American divisions totaling a net of $237,000 for the same year 1953.
[11] The above figure computed from CAB's rate staff figure of TWA's, domestic division, excess profit of $5,700,000 for year 1953 but increased for tax benefits.
[12] CAB Docket No. 2913—United's claim, exhibit No. U (United)-3, p. 6, subject to subsequent modifications.
[13] Braniff's reported break-even need, Latin American operation, for period June 4, 1948, through June 30, 1953, without additional claim for last half of 1953 and without further claims for return on investment and related tax allowances for the whole rate period of June 4, 1948, through Dec. 31, 1953.
[14] CAB Statement of Provisional Findings and Conclusions, Order No. E-8354, May 19, 1954, CAB Docket No. 2886. Braniff's Latin American operation.

Mr. DOUGLAS. Mr. President, I would suggest, therefore, that we can recover money from the airlines by prosecuting these suits, and that if we prosecute the suits we may well find that there will not be the need for the $55 million subsidy which is suggested by the committee. The CAB would do well to prosecute these suits rather than come to us for more millions.

So, Mr. President, if my facts are correct, and I believe they are correct, it

would seem to me highly advisable that we stick to the House figure of $40 million.

There are other points which I might mention, and which may come up in the debate tomorrow. The airlines have furnished, at various times, particularly in response to questions last year by the Senator from West Virginia [Mr. KILGORE], information on the salaries of their officials, but I think the RECORD will show that, although they were asked for information on the expense accounts, these figures have not been furnished.

There are sundry other items which I think deserve some investigation.

In short, Mr. President, what we have here is a case of the Government being asked to subsidize those who need a subsidy the least, since an enormous amount of money is still being paid to airlines, which are quite prosperous.

I have before me what I believe to be the correct profit and loss statement of Pan American Airlines, showing that they had a net profit in 1953 before taxes of close to $20 million, and after taxes of some $9.4 million. That still left them over $10 million. Mind you, Mr. President, this $9.4 million in all probability has been reimbursed by the Government. So we are not dealing with an impecunious, hard-pressed airline.

I like to be careful in what I say, and not indulge in blanket or shotgun denunciations. If my information is correct, American Airlines gets a very small tax rebate in comparison with the volume of its business and total taxes; and TWA, Eastern, United, and Northwest Airlines are all right in that respect. I believe in bringing those facts out so that those lines which apparently have a good record in this matter are not lumped in with other lines about which perhaps questions may be raised.

ONE LARGE AIRLINE IS PRIMARY BENEFICIARY

Neither Eastern, American, nor United, referred to before, would receive any subsidies under the $55 million proposition contained in H. R. 6367, as reported June 10, 1955, by the Senate Appropriations Committee, nor would TWA or Northwest Airlines, which are being taken off subsidy, nor would many others who receive only "service mail pay" and do not apply, as Pan Am does, for subsidies in the bill now before us.

The only "tax allowances" which all these other lines would receive would be relatively small amounts through the "service mail pay" appropriation of the Post Office Department, where the Post Office can intervene in protest against such tax allowances if it wants to, whereas the tax allowances for Pan Am are contained in the CAB airline subsidy appropriation bill, H. R. 6367, now before us, where, under plan 10, the Post Office can no longer intervene in opposition to these huge tax allowances. The policing function is left entirely up to Congress.

Under H. R. 6367, as reported by the committee, Pan American is the only large-size airline which would receive Federal income tax allowances, and between $8 million and $9 million per year of tax allowances for Pan American is contained in this bill.

In addition, the tabulation shows a large number of air mail contractors who receive no Federal income tax allowance at all through their mail rate. For instance, the CAB tabulation shows that for 1953 only 3 out of 21 feeder, or local-service airlines, received any tax allowance at all, and for those 3 the average was only $48,000 each.

And, of course, besides the air mail contractors listed in the CAB tabulation, there are a great many all-cargo, or coach-passenger, or air taxi lines in this country—about 2,400 in all—which receive neither mail pay nor subsidy nor Federal income tax allowance, although competing against those who do.

In short, Mr. President, the real tax allowance favors seem to be going to only one airline, Pan American.

Another interesting thing is that the granting of Federal income taxes to Pan American in large amounts—millions of dollars per year—is a phenomenon of fairly recent origin.

This is a very serious issue. We all know the political power of the particular group in question. We have felt its political power.

We talk a great deal about economy. There seems, however, to be a tendency to apply the paring knife only when any expenditure involving the poor or the weak is involved, but Congress, and the administration, go ahead and dish out the money in profusion for those groups which need it the least.

I understand the Senator from Delaware [Mr. WILLIAMS] may have certain things to say about other items in the bill. I shall not trespass upon what he has to say, except to say that anything the Senator from Delaware says on economy deserves the closest attention of Members on both sides of the aisle. Although the Senator from Delaware and I differ frequently on matters of public policy, I wish to pay tribute to him as one of the most effective defenders of the public purse we have in the Congress of the United States.

Mr. President, I have made this statement today merely in order that the RECORD may be more complete insofar as our proceedings on tomorrow are concerned, and so that the debate which will occur then may proceed on the basis of a sounder set of facts than would otherwise have been the case.

In conclusion, since perhaps curiosity may have been aroused by some of the rather mysterious statements I have made, in connection with my replies to the questions of the Senator from Florida, I wish to say again that I do not question the complete good faith and complete integrity of any Senator. We are dealing here with very delicate matters, and all of us are overworked, and it is difficult to establish contact. However, I felt that any information which I have and which I believe to be correct should not be withheld from the Senate, if it should turn out that no objection is made to its inclusion.

Finally, Mr. President, I ask unanimous consent that there be printed in the RECORD following my remarks certain clippings coming from informed writers on this subject.

There being no objection, the material referred to was ordered to be printed in the RECORD.

Mr. President, I yield the floor.

[From the Charleston Daily Mail of June 6, 1955]

KILGORE CHARGES CAB CUT BIG "MELON" IN AIRLINE TAX

(By Robert Allen)

WASHINGTON.—Now it is tax windfalls.

That's the latest melon-cutting in Government funds.

It was disclosed by Senator HARLEY KILGORE, Democrat, of West Virginia, chairman of the Judiciary Committee, at an Appropriations Committee meeting on the big airmail subsidies for the coming fiscal year.

The Civil Aeronautics Board asked $63 million for this purpose, but the House slashed it to $40 million. The airlines are trying to get the steep cut restored in the Senate Appropriations Committee. KILGORE has long fought these subsidies, and in continuing his battle told the committee about the airlines' tax windfall.

KILGORE gave the Appropriations Committee details of two cases in which the CAB not only provided airlines with Government funds to pay Government taxes, but gave them more money than their tax returns called for.

In one instance, the CAB overpaid an airline $1,750,000 in excess tax subsidies.

"It is, of course, not possible for the average taxpayer to go to a Government bureau and say, 'Look here, I have to pay my income taxes; so please give me the money to do that'," KILGORE told the committee. "But it happens right along in the case of the Civil Aeronautics Board and certain airlines. The CAB is not only allowing subsidies to airlines to enable them to pay their Federal taxes, but in some instances these allowances for taxes are more than what was paid into the Federal Treasury."

KILGORE asserted he has been unable to obtain from the CAB a list of these known tax-windfall cases.

"I'll certainly do my best to secure it," declared Rizley, former Republican Representative from Oklahoma.

KILGORE stressed the need for an effective CAB auditing system of airline subsidies. He pointed out that subsidy claims are not audited for several or more years. This extraordinary condition was disclosed during House Appropriations Committee hearings on the CAB's budget. Representative ALBERT THOMAS, Democrat, of Texas, chairman of that committee hearings on the CAB's budget, and other members sharply criticized Mulligan on this score. Later the full House Appropriations Committee, in effect, ordered the CAB to set up a comprehensive auditing system.

KILGORE urged the Senate committee to take similar action.

"I can see no reason," he said, "why subsidized airlines cannot do what everyone else in the country has to do and pay their own Federal taxes out of their own pocket. The time is long overdue when these claims should be closely and promptly audited. I think the Appropriations Committee should force such a change in policy. It is obvious that if Congress doesn't compel it the CAB will never do it."

NOTE.—Sportsmen throughout the country are closely watching what Congress does, if anything, about legislation to amend the Pittman-Robinson Act which imposes a special excise tax on hunting equipment for the restoration of wildlife. A total of $13,600,000 has accumulated, and the money is supposed to be distributed to the States on a 75–25 matching basis. This is the first time since World War II that this long-pending problem is getting congressional attention.

[From the Charleston Daily Mail of May 26, 1955]

HOUSE PLANS FULL AUDIT OF ALL AIRLINE SUBSIDIES

(By Robert Allen)

WASHINGTON.—The House Appropriations Committee's $23 million slash in airline subsidies is signally notable, but it's only part of this important development.

Equally significant was an unpublicized move by the committee.

This was to set the stage for a sweeping audit of these large subsidies which may result in their being slashed even more drastically next year.

Both House and Senate leaders are determinedly bent on that.

An ace up their sleeve is the virtually unknown fact that there has never been a complete audit of airline subsidies which have cost taxpayers hundreds of millions of dollars in recent years.

This extraordinary situation has prevailed despite numerous overpayments, mispayments and other inadvertencies.

These costly laxities were admitted by officials of the Civil Aeronautics Board under grilling by appropriations committeemen. The latter also disclosed that even what little auditing the CAB does of these subsidies, occurs several or more years after the money has been paid the airlines.

Exclaimed Representative ALBERT THOMAS (Democrat, of Texas), chairman of the subcommittee handling the matter, "That is outrageous. There isn't a private industry in the country which does business like that, and there is no reason why you should either."

It was the indignant subcommittee's findings that laid the ground for a full audit. The official report of the Appropriations Committee, in effect, orders that be done as follows:

"Substantial reductions can be made in these payments to air carriers during the next fiscal year if a careful and thorough audit of each claim is made, and if realistic practices in the handling of these claims are followed."

The committee has assurances of vigorous Senate support on this.

CRACKING DOWN

Most of the subcommittee's disclosures come from M. C. Mulligan, Secretary of the CAB, who got his key job under former Chairman Oswald Ryan, whom President Eisenhower replaced earlier this year.

Joining Representative THOMAS in the caustic questioning were Representatives JOHN F. SHELLEY (Democrat, of California); CLIFF CLEVENGER (Republican, of Ohio); and WALT HORAN (Republican, of Washington). Following are the highlights of their revealing interrogation:

Mr. THOMAS. You are not an auditor; you have no auditors, and yet you pay out from 90 to 98 percent of the claims just on their certificate. * * * That is an extremely serious defect in your system.

Mr. MULLIGAN. We make checks to see that the claims are correct.

Mr. THOMAS. Yes; then you tell us when and where a careful audit is made of these subsidies. You pay out 90 to 98 percent of the money without making an audit, but you say you check to see that the claims are correct. Who makes these checks and when?

Mr. MULLIGAN. It's made by the Audits Division as part of its overall audit of the carriers.

Mr. THOMAS. Some 2 years later; isn't that right?

Mr. MULLIGAN. Yes; possibly.

Mr. THOMAS. But when you pay out this money, you don't know whether their claims are 5 or 10 or 15 percent in error. You are depending on finding that out 2 or more years later in a post-audit.

Mr. HORAN. Why the 2-year wait?

Mr. THOMAS. They might as well wait 5 years. They've already paid out the money.

Mr. SHELLEY. What concerns me particularly is that you are paying these subsidies on a monthly basis and yet you don't get around to check and verify the airlines' claims until a couple of years later.

Mr. MULLIGAN. It is a fact that many of these carriers count on that monthly check. It's critical to them. Sometimes they need it to meet their payroll.

Mr. THOMAS. You touch me deeply.

[From the Lawrence (Mass.) Evening Tribune of June 7, 1955]

NATIONAL WHIRLIGIG

(By Ray Tucker)

OVERSEAS LINES TO OPERATE WITHOUT TAXPAYERS' SUBSIDY

WASHINGTON.—Only 28 years after Lindbergh's pioneering flight, America's great overseas airplane lines will operate without a subsidy from the taxpayers next year, save for the single exception of Pan American World Airways. It is an accomplishment of which President Eisenhower is extremely proud, although it was several hard-fighting Democrats who made possible this tremendous saving.

Despite the aviation lobby's protests, the insistence of the White House and Congress on cutting subsidy appropriations has not injured the companies. Pan American, for instance, has just filed with the Civil Aeronautics Board a report of $44,600,000 revenue for 1955's first quarter, as against $36,900,000 for the same period in 1954.

Nor has the congressional economy demand damaged Pan Am's ability to obtain new money from the bankers rather than from the taxpayers. It is, perhaps, the finest example of Eisenhower's insistence that private rather than public money underwrite commercial and industrial operations.

PAN AM'S BIG DEALS

Juan Trippe, Pan Am's president, has recently concluded a 25-year financing deal involving $60 million. Together with an unpaid bank loan of $43 million, the new credit will provide for additional aircraft costing $110 million.

Thus, after tapping the public till for more than $1 billion since World War II, America's great overseas air fleet, and there is none better, has won its wings.

However, Senator PAUL H. DOUGLAS, of Illinois, believes that Pan Am should be forced to reduce its expenditures and its drain on the taxpayers still further. Together with Senators KENNEDY, of Massachusetts; KILGORE, of West Virginia; and Representative ROONEY, of Brooklyn—all Democrats—the Illinois economist has carried the antisubsidy battle for Ike. But they have had strong White House support, in the face of a mad political lobby.

In a letter to Senator CARL HAYDEN of Arizona, chairman of the Senate Appropriations Committee, where the final subsidy struggle will be staged, DOUGLAS demands that Pan Am be required to make a full and honest audit of its luxury hotel losses in South America and elsewhere. Pan Am has been negotiating to buy Cuba's swankiest hostelry, the National, on the island's wonderful waterfront.

SWANK HOTELS

These hotels, which have golf courses, swimming pools, the best bars on the western continent and children's nurseries, are a distinct asset to Pan Am. They furnish an inducement to fly that line rather than its nonhotel competitors.

DOUGLAS first tried to get an accounting of Pan Am's hotel operations from the Civil Aeronautics Board, but he was informed that public disclosure of this information is not authorized by CAB. It is not authorized for the sole reason that CAB has never made an audit of these nonaviation expenditures.

INFORMATION FROM UNITED STATES CONTROLLER

CAB justifies its failure to audit Pan Am's hotel books on the ground that it would be an invasion of friendly South American countries. DOUGLAS quickly disposed of that demurrer.

In his letter to Senator HAYDEN, Senator DOUGLAS declared that CAB had lied to Congress about Pan Am's hotel holdings. Whereas CAB said that Pan Am had only a 20-percent interest in the Intercontinental Hotels Corp., DOUGLAS learned from the United States Controller General that its ownership is 100 percent.

DOUGLAS also discovered that the parent airline and the hotel corporation have offices in the same building in New York City—the Chrysler Building.

Since Pan Am lost $2,530,000 on its hotel operations in 1953, and now seeks expansion in this field, DOUGLAS insists on a deeper slash in Pan Am's subsidies. He points out that few taxpayers footing Pan Am's bill ever flew its lines or sank a putt or hoisted a highball at their luxury hostelries.

[From the East St. Louis Journal of June 6, 1955]

DOUGLAS RAPS AIR SUBSIDY

(By David Barnett)

WASHINGTON.—Senator PAUL DOUGLAS, Democrat, of Illinois, says the American taxpayer apparently is being saddled with "such ventures as hotel chains and real-estate development companies" through the device of airline subsidies.

In a letter to Senator CARL HAYDEN, Democrat of Arizona, chairman of the Senate Appropriations Committee, Senator DOUGLAS said information he had obtained from the General Accounting Office and the Civil Aeronautics Board indicated the Government was subsidizing Pan American World Airways, Inc., which, "in turn is subsidizing its wholly owned hotel firm."

The letter asked that the Senate committee, now considering the appropriations for the CAB for the next fiscal year, cut the request of $63 million for airline subsidies by 40 millions. The House already has chopped 23 million off the request.

Senator DOUGLAS said he was handicapped in presenting information to the committee about subsidiaries of subsidized airlines because "the report of the CAB, dated May 20, 1955, on the relationship between the most heavily subsidized airline, Pan American, and the largest of all the subsidiaries, the Intercontinental Hotels Corporation, is stamped: 'Public disclosure of this information not authorized by the CAB'."

Intercontinental operates nine hotels in Bermuda and South America.

Senator DOUGLAS pointed out that last year the CAB informed the House Appropriations Committee that Pan American owned only about 20 percent of Intercontinental.

Earlier this year, Senator DOUGLAS said, "the board talked about the difficulties of invading friendly South American countries, to get the books of subsidiaries in which our airlines owned only a minority interest."

"The General Accounting Office informs me, however, that in this instance Pan American owns, not a minority interest of Intercontinental Hotels Corp., but a 100-percent interest, and further, that the headquarters of this hotel corporation are located in the same building, the Chrysler Building (in New York City), as the parent airline. Therefore, there seems to be no real obstacles to a complete Government audit of this hotel corporation and similar subsidies.

"According to a tabulation obtained from the CAB by Senator DOUGLAS, Pan American, in 1953, advanced $2,530,063 more to its subsidiary, Intercontinental Hotels, than it received back.

"As you know, a man would be thrown off the public relief rolls immediately if he were found to own a valuable hotel, let alone a whole chain of them. Here we are confronted with the spectacle of an airline appealing to the Government for vast subsidies at the public expense, on the basis of its alleged need, while at the same time we find it owns a whole chain of luxury hotels and advances millions of dollars yearly on these hotels."

In determining airline subsidies, the CAB provides enough additional money to give the airline a reasonable profit on its investment.

According to the General Accounting Office, the payments to the subsidiaries are included in legitimate expenses of the airlines and thus are covered by the subsidy payments. The airlines' investments outside the field of air travel, however, are not included in the capital base used to determine the amount of reasonable profit.

The CAB has admitted that its auditing of the airlines' books could be improved. The Board asked this year for additional funds to enlarge its staff of auditors. The House permitted an increase of $123,000 to strengthen the Board's field audit program.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

TRADE AGREEMENTS ACT OF 1955—NOTICE OF CONSIDERATION OF CONFERENCE REPORT

Mr. BYRD. Mr. President, I should like to announce that the conference report on the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, has been adopted by the House. It will be my purpose to call up the report for consideration in the Senate tomorrow, immediately following the morning hour.

AMERICAN ORE CARRIERS

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me in regard to American ore carriers.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON, CHAIRMAN, SENATE INTERSTATE AND FOREIGN COMMERCE COMMITTEE AND SENATE MERCHANT MARINE & FISHERIES SUBCOMMITTEE

Everyone who recognizes the importance of American shipping and shipbuilding to our country's prosperity and security should give thought to the situation presently existing with regard to the increasing importations of iron and other ores.

According to figures compiled by the Journal of Commerce, it is estimated that a total of 2 million deadweight tonnage capacity will be required to handle the 50 million tons of iron ores that will be coming into the United States annually within the next decade.

Of this total required capacity, the Journal statistics reveal, approximately 600,000 tons have been built since the end of World War II, with another 560,000 tons currently under construction or on order.

It is the more than 800,000 tons of additional ore-carrying capacity likely to be needed that I particularly have in mind now.

The economy of our country, and its continued security, require that a much more substantial portion of this ore than is now the case be carried in vessels under United States registry, manned by crews recruited in this country, and therefore wholly and assuredly at the Nation's service in event of sudden emergency.

And simple justice to the people of the United States, to the wage earners whose mass purchases make possible the vast production and earnings of the steel and other metal manufacturers and processors, requires that these projected ore carriers be constructed in United States shipyards and manned by American seamen and officers. The industries that prosper under the American system should not dodge their responsibilities to that system, and to the American people, simply to swell their corporate profits. Maintaining these strategic vessels under the American flag, with loyal American crews, will help to insure the American way of life against possible aggression.

The Office of Defense Mobilization, with which I have been in contact regarding this vital phase of industrial and maritime operation, in a tentative report dated April 20, 1955, apparently found some comfort in the fact that, during 1954, United States flag vessels carried 37.1 percent, or 5,505,100 tons of the total iron ore imports of 1954. Additionally, it cited the 22.4 percent of such ore imports carried by vessels of Panama, Norway, and Liberia during 1954 as being carried in "ships under our control."

In reply to further points raised by me in this connection with the Office of Defense Mobilization, I have just received from the United States Maritime Administration a communication which furnishes answers to the questions raised. Accompanying this communication is a full and complete report on 1954 imports of ores and minerals, which revealed that of the 26 million tons of ores and minerals imported, only 8 million tons, or 31 percent, were carried in vessels under United States registry.

To me there is little comfort in either the 37.1 percent or the 31 percent when, as recently as 1951, 61 percent of all iron ores reaching this country came in vessels flying the American flag. The plain facts of the case are that American-built, American-manned ships carried, in 1954, only 60 percent of the share of iron ores that they enjoyed just 3 years ago.

The ominous part of this picture is that we can be certain that the percentage of ores carried in American bottoms will go progressively lower and lower in the near future, because other nations are building the new, large ore carriers that will have to be relied upon in this trade.

Let me cite a few figures on this point taken from the May issue of the American Bureau of Shipping Bulletin, to support the view that American shipping of necessity will participate less and less in this vital ore carriage unless American industry and capital awaken to their responsibilities.

On May 1, 1955, there was under construction in the United States only one small ore carrier, and that was being built for Venezuelan interests. However, in foreign shipyards, for United States interests, and paid for in large part by American capital, there were on order or under construction a total of 12 large, modern bulk carriers, aggregating 429,200 deadweight tons.

British yards are building 3 such ore carriers, 1 of 31,000 deadweight tons for New York interests, and 2 of 32,000 deadweight tons each for Cleveland interests.

Japan is building 8, including 2 supercarriers of 55,000 and 58,000 dead-weight tons, for New York and California interests.

Sweden is building one 26,000-ton carrier for New York interests.

Right here it might be pertinent to point out also that of 89 new oil tankers being constructed or on order throughout the world, only 6 are in United States shipyards, and 2 of these are for Government account, while at least 2 of the others are part of the trade-in arrangement with the United States Government.

With the threat of hostilities looming very large above our heads, it is about time, it seems to me, that capital and industry in this country begin to reappraise the validity of their policies in this regard.

Should Moscow ever feel that the time is ripe for its long-acclaimed attack upon this country, could we have any assurance of security if our steel and other strategic-metal industries were almost totally dependent upon foreign shipping, manned by crews whose loyalty no one could predict?

Russia's fast submarines could be expected to exact a heavy toll upon such shipping. Indeed, their strategy could very well be to concentrate upon severing this steel and metals lifeline, and thus cripple the heavy industries that are the backbone of America's military power.

I need not dwell upon this possibility—it is self-evident.

I do want, however, to stress a little further the debt our heavy industries owe to the little people of our Nation, who alone have made possible the great success of these very industries.

Every time an American industry or investment group builds and/or operates a ship foreign, it is taken the very bread out of the mouths of their own customers. Some financial savings are effected, I grant—but I think any competent economist could demonstate that the losses in such cases approximate or even surpass the gains in financial savings.

Consider our shipyards, beggared for the most part by the billion dollars' worth of ship construction that has been sent abroad by American interests in the past decade. The man-years of employment lost thereby have depreciated the economy of whole areas—for not only have the shipyards been affected adversely, but steel and other industries as well. Millions of dollars worth of steel and other supplies that would have gone into those ships were diverted to foreign suppliers.

What can we do about it? The answer is simple. Give to our ship operators the benefits of the Merchant Marine Act, 1936; a construction subsidy to offset the cost differential of the ships; the operating subsidy to place our steamships' operation on a parity with their low-cost foreign-flag competitors. I am certain that if our independent American ship operators are given the opportunity to compete on the basis of parity for these strategic ore cargoes, they will give to our country these specialized ships so badly needed for our national security. It is up to the administration to act—and act promptly. We have no time to lose.

PROPOSED SYSTEM OF FAMILY ALLOWANCES

Mr. NEUBERGER. Mr. President, the next great step forward in social legislation should be a program which seeks a healthier, happier, and more secure life for the children of America.

To date, nearly all forms of social-security legislation have sought the worthy goal of freedom from want in old age. As we strive to improve these humanitarian efforts, I believe we must also pay positive attention to the problems and needs which exist at the other end of life's ladder.

For 10 years now, our closest continental neighbor, Canada, has operated a program known as family allowances. This is a program designed to make available more clothing, better and more wholesome foods, more medical care, and greater opportunities for cultural and educational advancement for the children of Canada who are under 16 years of age.

My wife and I have traveled widely in Canada in connection with writing about that free and prosperous nation. We have lived with Canadian families from the lonely Arctic Circle to the great cities near our own border. Our hosts have included Canadian businessmen, working people, farmers, mounted policemen, industrialists, and even Indians. From what we have seen, Mrs. Neuberger and I have become convinced that Canada's system of family allowances is a wonderful boom not only for the children of Canada, but for all Canadians, because a nation is reliant upon what the next generation can make of it.

AMERICAN PEOPLE SHOULD HAVE BENEFIT OF STUDY OF 10-YEAR CANADIAN EXPERIENCE WITH FAMILY ALLOWANCES

Inasmuch as this is the 10th year of the operation of Canada's family allowances, we believe the time is ripe for us in the United States to make a careful study of the accumulated experience with this great social experiment across our northern boundary.

We believe that all the evidence indicates that a similar program might be of great immediate benefit to the American people. But the decision of how the Canadian experience with family allowances can best be applied in developing a family allowances program for the United States should be based on the kind of thorough analysis and discussion of that evidence which only a public study by a special committee can provide. Therefore, I am sponsoring a Senate resolution for a special committee of the Senate to undertake this thorough study of family allowances—a study which I hope may lead the way toward the eventual adoption of a sound and enlightened program of family allowances in the United States.

Mr. President, I am submitting the resolution for seven other Senators, in addition to myself. They are my senior colleague from Oregon [Mr. MORSE], the senior Senator from Illinois [Mr. DOUGLAS], the senior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Minnesota [Mr. HUMPHREY], the junior Senator from New York [Mr. LEHMAN], the junior Senator from Massachusetts [Mr. KENNEDY], and the junior Senator from Michigan [Mr. MCNAMARA].

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 109) to create a special committee to study Canadian Family Allowance Act with a view to determine the advisability of such legislation for the United States, submitted by Mr. NEUBERGER (for himself and other Senators), was received and referred to the Committee on Labor and Public Welfare, as follows:

Whereas the rate of birth of children in the United States is now running at the highest level in American history; and

Whereas it is in the best interest of this Nation that its children be adequately provided with the necessities of life in order that they may develop into strong, healthy, well-educated, and useful citizens; and

Whereas our good neighbor, Canada, this year is marking the 10th anniversary of an enlightened social experiment known as family allowances, which was adopted originally to promote the well-being of its children;

Whereas the Canadian family allowances program is reported to have had a favorable effect upon infant mortality, child health, juvenile delinquency, and the general welfare of children in that country; and

Whereas the welfare and well-being of the millions of children in the United States call for careful study and examination of the operation and the effectiveness of the family allowances program in Canada: Be it

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete inquiry and study of the Canadian Family Allowances Act and its administration, with a view to determining the advisability of instituting a similar system of family allowances for the promotion of health, development, and well-being of children in the United States. The committee shall report to the Senate, as soon as practicable, the results of its inquiry and study, together with its recommendations, if any, for appropriate legislation.

SEC. 2. (a) The committee is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary.

(c) The expenses of the committee, which shall not exceed $26,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the committee.

Mr. NEUBERGER. Mr. President, the resolution establishes a special committee of five Senators, to be appointed by the President of the Senate. The committee "is authorized and directed to make a full and complete inquiry and study of the Canadian Family Allowances Act and its administration, with a view to determining the advisability of instituting a similar system of family allowances for the promotion of the health, development, and well-being of the children of the United States."

So that the Senate may be aware of the entire text of my resolution, it is as follows:

Whereas the rate of birth of children in the United States is now running at the highest level in American history; and

Whereas it is in the best interest of this Nation that its children be adequately provided with the necessities of life in order that they may develop into strong, healthy, well-educated and useful citizens; and

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PAYMENTS UNDER FAMILY ALLOWANCES VARY WITH AGE OF CHILD

The family allowance program in Canada consists of a series of monthly payments to the parents or guardians of children under 16 years of age. The size of the payments varies with the age of each child. This is the schedule of the allowances:

	Per month
Children under 6	$5
Children aged 6 to 10	6
Children aged 10 to 13	7
Children aged 13 to 16	8

The payments are made to the mother. All Canadian mothers receive the allowances regularly on the 20th of every month. No "means" test decides which youngsters shall receive the benefits. The money goes to the children of lumber workers in British Columbia, to the children of truck drivers in Manitoba, to the children of Mounties on patrol in the Yukon, to the children of industrialists in Toronto, to the children of Eskimos in the Northwest Territories. There is no stigma attached to the allowances. They are universal. They go to all Canadian families.

What are the allowances used for? Canadian law merely requires that they must be spent for "the health and welfare of the child." And they are so spent.

In 1951, after the family allowance project had been in operation for 6 years,

Laval University, of Quebec, conducted a searching study into the ways in which the funds had been spent. The university's researchers established that the allowances had been used most frequently for the following purposes:

First. Children's clothing.

Second. Insurance policies for children.

Third. Medical care and medicines for children.

Fourth. More nutritious food for children.

Fifth. Children's savings accounts in banks.

Sixth. Toys for children.

PROGRAM HAS BEEN ACCEPTED BY ALL POLITICAL PARTIES IN CANADA

A few months ago the following statement was made to me in a letter from Canada's Minister of Health and Welfare, the Honorable Paul Martin, who has supervised so effectively an orderly program for handling the Salk antipolio vaccine in that nation:

> The success or failure of family allowances in Canada is no longer a matter of debate in this country. The program is accepted by all political parties, by the labor bodies, by social workers, and by the population at large * * *. We have received many letters from parents and reports from social workers to the effect that receipt of family allowances has been of great value to a large number of families, the great majority of whom devote the allowances to increasing the welfare and health of the child in the numerous ways which that may be done.

Abundant evidence exists in Canada that family allowances have had a favorable impact on such vital problems as juvenile delinquency, child health, infant mortality, and general education. Yet at the same time, as my wife and I have learned in conversations with Canadian businessmen, family allowances have in some instances broadened the market for many consumers' goods. The program has meant the expanded manufacture and sale of much merchandise produced for the use of children. For example, the increase in the number of children's shoes sold during the first year of the program proved not only beneficial to Canadian children, but it markedly widened the sales volume of Canadian shoe manufacturers, to say nothing of the sales volume of shoe distributors and retailers. It is my firm belief that here, too, the allowance plan could open up tremendous new mass markets for consumer goods, particularly among families in the low-income brackets.

Family allowances, Mr. President, also might prove a boon in another quarter. Providing adequate medical and dental care for children has been a pressing national problem. The recent Salk vaccine crisis has merely reminded us of this. Studies in Canada have shown that one of the principal uses made of family allowances has been for child health. It is a means of providing for needed medical services without in any way modifying the parents' right to have their children treated by the doctors or dentists of their own choice. Private medicine is not infringed upon; but parents can use the "allowance" funds to secure for their children the medical attention they need.

INFANT MORTALITY DROPPED, SALES OF CHILDREN'S SHOES WENT UP

During the first year that family allowances were inaugurated in Canada, infant mortality dropped from 51 to 47 per 1,000—a most heartening and welcome development. Furthermore, in the same period the monthly production of children's shoes soared from 762,000 pairs to 1,180,000 pairs, an astounding increase of over 54 percent each month. I also have been told that, for the first time, many Canadian department stores installed departments especially devoted to selling infants' wear. Even in the most remote areas of the Canadian wilderness, the account books of Hudson's Bay Co. factors showed larger sales of oranges, milk, Pablum, children's shoes, and similar items after the family allowances program went into operation.

This was the sales record of one typical Hudson's Bay Co. outpost in three foods which contribute vitamins and nutrition to the diet of children:

	Before family allowances	After family allowances
Canned tomatoes	98 cases	1,016 cases.
Powdered milk	2 cases	989 cases.
Pablum	None sold	1,263 cases.

I should like to quote from another study of significance—one made of the use of family allowances in rural and semirural regions of Alberta and Saskatchewan. These were principally farm families, so only a small proportion of the allowances were spent on food. The order of spending in the Canadian prairie provinces, where so much of the world's grain is raised, was not very different from that shown in the Quebec study. Clothing, again, was the first item. This meant, particularly, warm clothing for the winter seasons and sturdy shoes. To quote from the Alberta-Saskatchewan study:

> The other consumption categories on which family allowances were spent, in order of their frequency, where—medical care, education (books, music lessons, etc.), recreation, savings accounts, and general living expenses.

AMERICA'S "BABY BOOM" MAKES PROGRAM UNUSUALLY PERTINENT NOW

What pertinence does the Canadian experience have for our own country? Why should we contemplate family allowances here?

To begin with, children are the most precious wealth of any nation. Money, natural resources, political power, diplomatic strength, military might—these things cannot be compared to a country's boys and girls, because they are wholly dependent on the health, morale, and attitudes of the next generation of citizens.

Today, Mr. President, America is growing its biggest crop of children. The excess of births over deaths in this country is now running at the rate of 2,600,000 annually, or more than 200,000 every month. During 1954 the total number of births of new Americans passed the 4 million mark. Never before in our history had this occurred. In other words, America is enjoying a boom in babies. Could any boom be finer?

We want these babies to grow up to be happy, healthy, and prosperous. Their standard of living will contribute materially to this. Until they are grown, the standard of living of their parents will determine their own. Yet, according to the Bureau of the Census, about 33 percent of the individuals in the Nation's total civilian labor force carry the burden of housing, feeding, clothing, and providing medical care for over 90 percent of the boys and girls under 18 years of age. In other words, the major financial burden of rearing the next generation of Americans falls upon the earnings of only one-third of the population.

What is wrong about assisting this segment of the population to furnish adequate food, shelter, and clothing for an overwhelming majority of America's children?

THERE ALWAYS HAVE BEEN THOSE WHO RIDICULED ANY NEW IDEA

I realize that some persons will shun a proposal even to study an important new social program of this sort. Yet we must be aware that every new idea has had its bitter critics. There were men who ridiculed as folly the spending of a meager $2,500 in public funds to send Lewis and Clark to the Pacific coast with our country's flag. Let us not forget that social security itself was condemned less than 20 years ago by the Republican National Committee as a cruel hoax. Tories in Congress charged that "the liberty of all the people of the United States is in jeopardy" when Theodore Roosevelt advocated a Pure Food and Drug Act in 1908 to safeguard the substances which the men, women, and children of the land were putting into their stomachs.

Happily there has been a vast majority of Americans in nearly every era who have said with the poet James Russell Lowell:

> New occasions teach new duties,
> Time makes ancient good uncouth.

That sort of vision is needed now when we consider the question of family allowances. But I can, of course, anticipate the kind of opposition which we shall hear. I should like to answer some of these charges in advance so that people can be ready to study the issue dispassionately and with an understanding of the facts.

First. It will be said, of course, that family allowances are socialism, creeping or otherwise. This is a familiar epithet, which has been applied to most of our social legislation, to the TVA, to Grand Coulee Dam, and even to Federal aid for school construction.

Canada has had family allowances for 10 years now, and during those 10 years American big business has hurried to invest its money across the border in Canada. While the family allowance program has been in effect, the value of United States investments in Canada has rocketed from $4,990,000,000 to approximately $9 billion. This gain of nearly 100 percent demonstrates two factors conclusively: First, that Canada's economy has been sound and prosperous while family allowances have been in

effect; and, second, that this program has not discouraged American capitalists from risking huge amounts of capital in Canada.

WITH FAMILY ALLOWANCES IN EFFECT, CANADA HAS BEEN STRONG AND PROSPEROUS

Indeed, on April 6, 1955, the newspaper of American big business, the Wall Street Journal, published an editorial contending that Canada's economy was on a sounder basis than that of the United States. Speaking of Canada, the editorial declared "a more booming place it would be hard to find."

Direct investment by American industrialists and investors in Canada attained a new record while family allowances were being paid to Canadian mothers in behalf of their children. During this period, a total of 307 American business firms established branches in Canada. Among the corporations making the largest Canadian investments have been several in which a dominant figure is George M. Humphrey, our Republican Secretary of the Treasury, whose sensitivity to any "irresponsibility" in this Nation's economic structure would no doubt also have warned him of any dangerous "socialism" in Canada.

Of course, Mr. President, I am not claiming that family allowances have induced hard-headed American businessmen to invest their dollars in Canada. I do, however, think it is significant to consider—before predicting that family allowances would socialize our families and bankrupt the national economy—that the Canadian program has not retarded lavish investment by American big business in Canada's economic and fiscal future. And I remind Senators again that Canada's Conservative Party joins the other political parties of Canada in endorsing the family allowance program.

MOTHERS IN FACT SPEND ALLOWANCES FOR BENEFIT OF CHILDREN

Second. It will be claimed that the family allowances will not be spent for their principal purpose, which is the health and welfare of America's children.

I challenge any such assumption. Canada has had comparatively few instances in which legal action was required to bring about compliance with the Family Allowances Act. In 1952 one of Canada's celebrated mounties, George J. Archer, superintendent of the Royal Canadian Mounted Police, said to me:

> We feel that the family allowances law is obeyed in the great majority of instances, because even the worst scoundrel in other things has a sense of obligation where his children are concerned.

After all, compliance with the act rests with the mothers of the country and their feelings of motherhood. Can any reliance be more dependable than this? A few years ago Canada's Deputy Minister of Health and Welfare, Dr. George F. Davidson, had this to say:

> By and large, the success or failure of our family allowances program—the wisdom or folly of our family allowances erpenditures in terms of what they will buy for the children of our country—depends on the wisdom and judgment of the average Canadian mother of the average Canadian child.

I have just as much faith in the average American mother as Dr. Davidson has in the average Canadian mother. The checks would go each month to the mothers of America. I believe abuses would be few and far between, in such a situation.

BY ELIMINATING "MEANS" TEST, ADMINISTRATIVE COSTS CAN BE REDUCED

Third. It will be claimed that there should be a "means" test, that the allowances should go only to families who are in need.

In my opinion, this would defeat the entire purpose of the program. My wife and I have seen Canadian mothers proudly spending their family allowances checks for clothing, for doctors' bills, for nutritious children's foods, for music or ballet lessons, for electric toy trains and for dolls. The lines which often form in front of children's shoe stores in cities like Edmonton or Winnipeg are symbols of "family allowance days." This candid spending of the funds never would take place if there were a "means" test. The allowances would be used furtively and with a sense of shame, if at all.

Furthermore, Mr. President, it is likely that the army of investigators needed to police the system, if a "means" test were instituted, actually would cost more money than the relatively small number of checks going to families who do not need them. In Canada, the total cost of administering the family allowances system amounts to only about 2 percent of the total funds disbursed. Administrative charges would be many times this proportion if a "means" test were applied.

Family allowances should be paid as a matter of right and not because of poverty. We have visited well-to-do families in Canada where the allowance checks were scrupulously dedicated to the welfare of the children. The family of a utility executive was collecting a fund to let his three daughters travel in Europe after their graduations from secondary school. A banker intended to buy annuities for his son. A high-ranking officer in the mounted police planned to use the collected family allowances checks to help put his boy through military school.

Fourth. It will be claimed that families with children should be assisted through higher income-tax exemptions for children rather than by family allowances.

This is an argument with some validity, but it fails to recognize the fact that it would prove of relatively little help to those who need assistance most—the families in the lower income brackets who already pay only meager or no income taxes because of the skimpiness of their incomes. Exemptions benefit most those with larger incomes in the higher tax brackets.

In addition, a cut in taxes puts no compulsion on the family to concentrate the increased income on items of special value and importance to the children. Family allowances, however, are in a different category. They are earmarked for the boys and girls of the family. The mother receives the check with the understanding that she is to spend it for the health and welfare of the child. Practically all mothers heed this stipulation. This is why the consumption of milk, baby foods, and children's shoes increased immediately in Canada when family allowances were enacted. No such phenomenon would have occurred had there simply been a general tax reduction.

One definite policy of family allowances is that people will have longer useful years and face less indigence or need in old age, if their children eat healthier foods, receive more medical care, and are better clothed. This policy would be nullified if the parents of the country's children were not encouraged to spend the added income directly on the children's needs and welfare.

Fifth. Undoubtedly opponents will criticize family allowances as a subsidy to families with growing children. However, the American economic structure overflows with similar grants-in-aid and assistance payments. Despite the onerous connotation often given to the word "subsidy," it is, by definition, merely a payment by government to assist in the accomplishment of objectives deemed beneficial to the public.

Thousands of World War II veterans received a form of subsidy under the GI bill, Mr. President. Railroads received vast subsidies in land grants along their western rights-of-way, and airlines and merchant shipping are still subsidized. Farmers enjoy the benefits of soil conservation incentive payments and price support loans. Accelerated tax amortization certificates constitute special incentive benefits to some of the country's biggest corporations. The press enjoys the privilege of special postal rates unrelated to actual costs.

I am not criticizing these subsidies. They are part of our way of life. I am merely citing them as examples of what has been done in the past and is being done now to achieve aims deemed to be in the public interest. Certainly if these assistance payments are justified, the Nation will not let scarewords like "subsidy" keep us from providing aid for the most precious commodity in the land—namely, America's boys and girls.

Sixth. It will be said that it is unfair to tax people without children for the benefit of families with children below the age of 16.

Such a contention completely overlooks the fact that this has been going on in the United States for almost a century and a half. All persons are equally subject to school taxes, although not all families have children in the school ages. Everyone helps to pay for the fire department in his community, even though some people may have no property to enjoy the protection of this particular public service. Playgrounds are almost exclusively for children, but all taxpayers help to maintain playgrounds when they pay their local taxes.

Of course, not all benefits are direct. Juvenile delinquency is deeply rooted in poverty, neglect, and a low standard of living. Family allowances might serve to help ameliorate these conditions. A reduction in juvenile delinquency naturally will constitute a saving in taxes for every single resident of a city, state, or nation.

COST OF FAMILY ALLOWANCES WOULD BE MODERATE PART OF NATIONAL BUDGET

What would a program of family allowances cost in the United States?

The sum cannot easily be calculated precisely, and the cost of the program naturally is one of the aspects to be studied by the special committee in determining the kind of program that might be appropriate to our own economic and social conditions. It is a rough guide, however, that the annual sum required in Canada has been about $350 million. Canada's population is approximately 10 percent of that of the United States—although the percentage of children there may still be a little larger—so that the Canadian schedule of allowances would in our country amount to approximately $3.5 billion a year.

It would be foolish, Mr. President, to deny that this is a large sum of money. Yet it is not exorbitant in the context of our present and future gross national product and in comparison with other items of our public and private national budgets. It is, of course, dwarfed by such essential but nonproductive Federal expenditures as those on the national defense. But, more relevantly, it is also far less than the $8,865,000,000 which we spent, in 1953, on alcoholic drinks and the $5,310,000,000 which in that year went up in tobacco smoke.

If family allowances will have a favorable impact on the health, happiness, and welfare of the children of the United States, I believe the program will be well worth the cost, indeed. "We are willing to make tremendous expenditures for defense," recently wrote Prof. J. Benjamin Beyrer, of the University of Connecticut. "Aren't our children our country's greatest defense resource?"

A distinguished Canadian with close ties to the United States, the late Prime Minister W. L. Mackenzie King, called family allowances the cornerstone of his program for Canada. It is my belief that, ultimately, such a program will be in effect in our own country. It will be the next great forward step to be taken to complement our social-security system.

In that belief, Mr. President, I urge early adoption of my resolution, so that a committee of the Senate may undertake a careful study of Canada's 10-year record of operation and management of its family allowances program, and so that the people of the United States may judge when and how we want to adopt for ourselves and our own children the benefits of family allowances.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Mr. GREEN. Mr. President, on behalf of myself and my cosponsors, I am happy to submit an amendment to House bill 6367 which would provide Weather Bureau forecasters with more of what they have wanted for years. I refer especially to modern electronic observing equipment, which could help them in their struggle to improve their forecasts and warnings of destructive storms.

On page 25, line 2, it is proposed to strike out "$5,000,000" and insert in lieu thereof "$10,000,000."

Before going further, Mr. President, I must mention my satisfaction in being able to announce that the following Senators are cosponsors of the amendment. The Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL], the Senator from Massachusetts [Mr. KENNEDY], my colleague from Rhode Island [Mr. PASTORE], the Senator from North Carolina [Mr. ERVIN], the Senator from Texas [Mr. DANIEL], and the Senator from South Carolina [Mr. THURMOND].

Doubtless there are other Senators who will give their full support to this amendment, and embrace the opportunity to show their real interest in improving our storm protection services. Many Senators have been told personally, perhaps by the meteorologists who do the forecasting in their own States, that the establishment of a modern radar storm detection network will mean increased forecasting accuracy, better and quicker warnings, and further reductions in the loss of life and property from sudden storms. All the weather experts agree that the improvements which can be expected in public weather protection services will repay, many, many times over, the comparatively small sums needed to provide forecasters with essential observation equipment.

Before briefly reviewing what can be provided with the $5 million increase now being proposed, I should like to take this opportunity to congratulate the members of the Senate Appropriations Committee. They have clearly recognized the widespread demand for better storm protection, especially for improving our hurricane, tornado, and storm warning services. They are to be commended for their wisdom in recommending $4,250,000 more than the Budget Bureau estimate for these purposes.

What is needed now, Mr. President, is the modern equipment to do the job which all experts agree should be done. That means 55 modern long-range radar stations to locate, analyze, and track hurricanes, tornadoes, and other severe storms, whereas only 12 such stations are provided for in the pending appropriation bill.

That means, also, modern cloud-height and visibility observing equipment at 150 of the busiest airport stations in the United States, whereas only 45 such airport stations can be so equipped under the pending bill.

I feel I should emphasize over and over again that the establishment of this $10 million program, which my cosponsor and I urge be adopted, has already been strongly recommended by the Weather Bureau, by the Department of Commerce, by the president of the American Meteorological Society, and by meteorologists everywhere who know best what is actually required. It also should be mentioned that this appropriation would not have to be used in the next fiscal year only, but instead all establishment funds voted would remain available until June 30, 1959.

We can be certain, therefore, that the utmost care will be exercised to insure that the best possible return will be realized for any establishment appropriations which truly meet the Weather Bureau requirements over the next 4 years.

I will not take more time now to elaborate on the subject since I have written every Senator a letter, a copy of which, with enclosures, I hereby offer and ask to have printed in the RECORD in connection with my remarks.

There being no objection, the material was ordered to be printed in the RECORD.

UNITED STATES SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
June 13, 1955.

DEAR SENATOR: When the Department of Commerce (Weather Bureau) appropriations bill comes up in the Senate for debate I intend to propose an amendment from the floor that will meet the request of the Weather Bureau and the Department of commerce for urgently needed storm detection equipment.

This floor amendment would enable the installation of modern radar storm detection equipment at 55 Weather Bureau stations, which is 43 more than the 12 radar installations made possible under the establishment appropriations voted by the House of Representatives.

In the face of the expert testimony that more than 80 such high-powered radar installations are now needed to locate, analyze, and track hurricanes, tornadoes, and other severe storms in all parts of the country, it is disappointing indeed to note that the Budget Bureau has decided this country needs only 3 new storm radar sets a year for each of the next 4 years.

I do not know what the administrative opponents of the $10 million establishment fund are waiting for before they agree with the modest requests of the responsible storm forecasters. Are they waiting for another $500 million damage hurricane on our eastern coast? Are they waiting for still another devastating tornado that evades the sparse network of outmoded radar installations?

Have they forgotten already that in a span of only 8 weeks last autumn 200 United States citizens lost their lives from hurricanes crossing our shores? Are they concerned at all that the 1954 property loss from hurricanes exceeded $800 million? Do they remember the 1953 disasters from tornadoes at Waco, Tex., at Flint, Mich., or at Worcester, Mass.? Do they know that in the 4 years, from 1951 through 1954, there were 1,800 tornadoes which caused more than 800 deaths?

In the face of the huge annual losses from hurricanes and tornadoes—not to mention thunderstorms, flood-producing rains, blizzards, and other severe storms—I cannot agree that nothing more can be done, or that nothing more should be done, to provide adequate warning services. Economy of this sort is not prudent administration—it is simply gambling with the lives and property of our people.

Accordingly, I shall ask the Senate tomorrow to strike out the figure of $5 million, and insert instead the figure of $10 million, so that the otherwise unchanged paragraph in H. R. 6367 will read as follows:

"Establishment of meteorological facilities: For the acquisition, establishment, and relocation of meteorological observing facilities and related equipment, including the alteration and modernization of existing facilities; $10 million, to remain available until June 30, 1959."

I am happy to say that there are a number of Senators who are cosponsors of this floor amendment for additional radar storm detection stations. These cosponsors include Members of the Senate representing States hard hit by hurricanes last autumn, and also include Senators from inland States where the dreaded tornado frequently sweeps down from darkened skies bringing death and destruction.

My personal investigation of Weather Bureau needs has convinced me this radar station amendment is in the highest public interest, and I accordingly would welcome your support when the amendment is considered on the floor of the Senate.

Yours sincerely,

THEODORE FRANCIS GREEN.

Notes on requested Weather Bureau funds (fiscal year 1956) for the "establishment of facilities" (to remain available until June 30, 1959)

Requested of Budget Bureau by Department of Commerce	$10,000,000
Requested of Congress by Budget Bureau	5,000,000
Voted by the House of Representatives and recommended by the Senate Appropriations Committee	5,000,000
Floor amendment to be proposed by Senator Green and cosponsors	10,000,000

COMPARISON OF "ESTABLISHMENT OF FACILITIES" PROGRAMS

Shown below are the major facilities which would be established under the $5 million and $10 million programs (to remain available until June 30, 1959):

	Under the $5,000,000 establishment of facilities program	Under the $10,000,000 establishment of facilities program
Number of stations to be equipped with new upper-air observation equipment	86	86
Number of stations to be equipped with modern long-range radar equipment to locate, analyze, and track hurricanes, tornadoes and other severe storms	12	55
Number of airport stations to be equipped with modern cloud height and visibility observing equipment for bad weather landings	45	150

NOTES

1. There will be 43 more radar-equipped stations under the proposed $10 million facilities program (i. e., a total of 55 radar stations instead of a total of 12 radar stations).

2. There will be 105 more airport stations with bad-weather observing equipment under the proposed $10 million facilities program (i. e., a total of 150 equipped stations instead of a total of 45 equipped stations).

JUNE 1, 1955.

Hon. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Appropriations for the Department of Commerce, Senate Office Building, Washington, D. C.

DEAR SENATOR HOLLAND: With this letter I am sending you a statement in support of increased appropriations for the Weather Bureau. I trust you can have it inserted as part of the hearings conducted by the Subcommittee of the Senate Committee on Appropriations considering the Department of Commerce appropriations bill.

It is my firm conviction that the Weather Bureau needs additional funds to operate efficiently and you will note in the enclosed statement that I recommend an increase of $11 million in the Department of Commerce Weather Bureau appropriation for the fiscal year of 1956. $5 million of this appropriation I recommend for immediate improvement of the storm warning service for the 1955 and 1956 hurricane seasons; $5 million for the establishment of meteorological facilities; and $1 million for hurricane, tornado and severe storm research activity.

In view of the anxiety and interest of many of our citizens in Weather Bureau activities, I trust that your subcommittee will favorably consider my recommendations for increased appropriations for the Bureau.

Yours sincerely,

THEODORE FRANCIS GREEN.

STATEMENT BY SENATOR GREEN IN SUPPORT OF INCREASED APPROPRIATIONS FOR THE UNITED STATES WEATHER BUREAU

In the autumn of 1954 Hurricanes Carol, Edna, and Hazel crossed the eastern coasts of the United States with disastrous results. As we all know, hundreds of lives were lost and total property damage from high wind and water amounted to hundreds of millions of dollars.

These staggering losses to our national life cannot be dismissed lightly, nor can they be forgotten by those in my home State of Rhode Island, as well as those elsewhere along the eastern coast. Many people lost their friends and neighbors, their homes and their savings, as these hurricanes suddenly swept in without sufficient warning.

On August 31, 1954, Hurricane Carol roared across New England to become the most costly catastrophe in North American history, with property damages totaling nearly $500 million. I will not dwell on the individual human misery that brings meaning to such appalling figures. I will only say that each month since then I have received a flood of letters on the subject of hurricane warning systems from citizens along the eastern seaboard. They ask, over and over again, questions like the following:

1. Why cannot more advance hurricane warnings be given?

2. Why cannot more precise forecast information be given as to the future path, speed, and intensity of hurricanes?

3. Was the Weather Bureau or others at fault in distributing warnings about Hurricane Carol?

4. Does the Weather Bureau have sufficient trained staff and sufficient facilities to carry out their storm protection responsibilities?

5. How much research and analysis work has been done on salt water inundations covered by hurricane-driven winds?

6. Does the Weather Bureau have a research staff devoted exclusively to better hurricane forecasting?

7. Should we be prepared to accept in the next 5 years only a slow improvement in the present quality of hurricane forecasts and in present warning distribution methods?

In addition to the flood of questions such as these, I have received so much critical comment that I concluded last fall explanations were in order. Since then I have made a special study of hurricane warnings and have obtained reports from most of the Government agencies concerned. This study has convinced me that there are some improvements which can be undertaken by the Weather Bureau within their present resources of staff and facilities, and recently, I was told that the Weather Bureau is now proceeding to carry out some of them in preparation for the comuany 1955 hurricane season.

But, I am convinced, yes, firmly convinced, that the Weather Bureau does not have sufficient funds to maintain hurricane warning services of the type rightfully expected by our citizens, and does not have sufficient funds to make any significant improvements in its warning services for the 1955 and 1956 hurricane seasons.

Perhaps most shocking of all is the fact that the Weather Bureau does not even have a half dozen meteorologists who spend full time on hurricane research to develop better forecast techniques.

After my personal investigations led me to conclude what is most needed if improved warning services are to be forthcoming, I consulted again with the meteorologists of the Weather Bureau and other Government agencies, and, also with several meteorologists of the foremost universities and private industry.

From this background of study, I am convinced that the operation job actually needed cannot be done by half measures.

I accordingly urge that an increase of $11 million be made in the Department of Commerce Weather Bureau's appropriation bill for fiscal year 1956. I further recommend that $5 million of this increased amount be used for the purpose of immediately improving the storm-warning service for the 1955 and 1956 hurricane seasons.

Another $5 million of this $11 million increase in Weather Bureau funds should be devoted to the establishment of meteorological facilities, which were denied by the Bureau of the Budget when it cut in half the $10 million sum requested by the Weather Bureau and the Department of Commerce and reduced it to $5 million. Those who desire more detailed figures may be referred to the table on page 6925 of the CONGRESSIONAL RECORD of May 24, 1955, and to page 641 of the hearings before the subcommittee of the Committee on Appropriations of the House of Representatives held on April 27, 1955.

There is little doubt that much of the staggering losses of 1954 could have been avoided if the Weather Bureau had been equipped with the proper radar equipment and other observation facilities installed along the coast. We may be certain that similar occasions will arise here in the coming years, and perhaps in other coastal areas also. Accordingly, I strongly urge that funds be provided for these modern meteorological facilities which may mean the difference between life and death along our entire coastline.

I have been advised that the Weather Bureau, if provided with a $10 million fund for meteorological facilities to be expended over a period of 4 years, will be able to carry out an orderly, efficient, and effective storm warning and protective system. These facilities not only will be of tremendous aid in forecasting hurricanes, but also will be useful in predicting the onward march of tornadoes, hailstorms, severe thunderstorms, blizzards, and other great meteorological hazards.

By this establishment of facilities all citizens in its expected path can be given sufficient advance warning to save their lives and reduce the loss of their property.

I understand that the Weather Bureau has carefully worked out exactly what equipment is desired, where such equipment is to be located, and the time schedule on which such equipment can be installed.

In any case, I hope we do not have to wait for more devastating hurricanes and more frightful tornadoes before we get the equipment which our experts tell us is such an important factor in improved warnings.

I recommend also an initial appropriation of $1 million for hurricane, tornadoes, and severe storm research activity because I feel that much greater emphasis should be given to an intensified search for full knowledge of the laws of storms and the physics of the atmosphere. Our future welfare may depend on a deeper understanding of nature. It would be shortsighted indeed to ignore this large gap in our true knowledge of the weather processes. Let us get on with the job.

Some scientists have even suggested that in the years not very far ahead we may be able to modify, divert, and even destroy dangerous hurricanes before they are full grown, or before they reach our shores.

The very minimum of such research activities will be repaid many times over in the greater knowledge and confidence that can be given our weather forecasters, who now are often compelled to predict the precise future path of hurricanes from insufficient observational data.

I have consulted the leaders in the weather sciences both in and out of the Weather Bureau, and I am convinced there is a strong justification for the development of a large research program on hurricanes and that the Weather Bureau is willing to give this problem a high priority in the coming years.

Some of the more challenging problems on which more fundamental knowledge is needed include:

1. The physical reasons for the apparent shifting tracks of hurricanes, and the relationships of hurricane occurrences to the observed circulation patterns of the upper atmosphere.

2. The air flow and moisture mechanisms which cause tropical disturbances to grow larger, to speed up, to change direction, or to increase or decrease in intensity.

3. The means by which hurricane forecasts can be made more accurate in direction and speed of movement, and for longer periods in advance.

4. The integrated relationships between tidal action, sea surges, salt water levels, river stages, and coastal geography, with the varying speeds and tracks of hurricanes.

5. The possibilities of modifying, diverting, and even destroying hurricanes headed for nearby populated coastal areas.

I am one of those in Congress who believe that the Weather Bureau is one of the Government agencies which does not waste any of the taxpayers' money, and that its appropriations are used with discretion. The total funds to be allotted to the Weather Bureau are very small in comparison with the funds appropriated to some of the other agencies, and in comparison with the millions of dollars which could easily be saved for our citizens in the coming years.

JUNE 7, 1955.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Appropriations for the Department of Commerce, United States Senate.

DEAR SENATOR HOLLAND: I was astonished to learn that the Weather Bureau has never received an appropriation to purchase radar weather observing equipment. I did not know that the meager equipment it now has was "salvaged" from excess stocks of airborne radar equipment not even designed to detect, track, and analyze severe weather phenomena.

It was, therefore, very disappointing to me when the Weather Bureau's modest request for $10 million for the establishment of facilities, including the installation of storm-detection radar equipment at 55 stations, was reduced to half that amount by the Bureau of the Budget.

My interest in this appropriation request stems from the fact that Oklahoma lies in the center of the tornado belt, and the fact that radar equipment has proven especially effective in detecting and tracking tornadoes, which advance at speeds of from 20 to more than 50 miles an hour.

Oklahoma is one of the States especially subject to tornadoes. During the period from 1915 to 1949, Oklahoma suffered 664 fatalities as the result of tornadoes, while during the same period nationwide there were 7,961 deaths, about 10 times that number of injuries, and property damage that cannot even be estimated. These figures, of course, do not include the tornadoes that have occurred since 1949 or those of last month which took more than 100 lives in Oklahoma and Kansas alone.

The Weather Bureau estimates that 85 modern radar stations are needed to detect, track, and analyze severe weather phenomena such as tornadoes and hurricanes. Approval of the original $10 million request would have enabled the Bureau to equip 55 of the 85 needed stations with radar. As reduced to $5 million, by the Budget Bureau, and approved by the House, only 12 stations can be equipped. By increasing the figure to $10 million, 43 more stations could be equipped, and I strongly urge that the amount be so increased.

It is an established fact that in cases where the Weather Bureau has been able to give timely warnings of approaching storms, deaths have been reduced. As an example, in 1947 a tornado was detected at least half an hour before it struck the town of Leedey, Okla., and a warning was flashed to the community. Although two-thirds of the town was demolished, there were only six fatalities.

The Weather Bureau's severe weather warning system must be expanded and improved. We know that we will experience destructive tornadoes and hurricanes again, and we know that as yet we have no means of controlling or directing them. But we also know that with instantaneous distribution of warnings, the loss of life can be virtually eliminated and damage to property materially reduced.

The House has approved an additional $2,250,000 for the Weather Bureau, and a request is pending in the Senate to increase that amount to $5 million which, as I understand it, would be used exclusively for an emergency hurricane-warning system.

I certainly do not wish in any way to minimize the urgent need for improvement of the hurricane-warning system, but I do wish to emphasize that the same urgency exists with respect to the tornado-warning system. The fact that different sections of the country are subject to different types of severe weather does not, in my opinion, make any section more or less entitled to protection than the others.

I firmly believe that the Weather Bureau could use considerably more than the $5 million being requested in the Senate to improve the hurricane-warning system, but I do not feel that the other parts of the country subject to severe weather should be penalized by earmarking for that exclusive purpose any funds which may be appropriated.

I also wish to strongly endorse the request for an initial appropriation of $1 million for severe weather research. The Weather Bureau has long been handicapped by inadequate instrumentation and facilities for the collection, reduction, and analysis of data on severe weather disturbances. Approval of the request for $1 million will permit the Bureau to begin a research program in cooperation with colleges and universities, which would carry on the fringe aspects of data reduction and analysis, thus freeing the experts from time-consuming detail and permitting them to devote their efforts to only the most important aspects of the problem.

The sooner we undertake the research necessary for improving forecasts of severe weather, the sooner we can begin to reduce the terrible toll of life and property inflicted upon us by these violent disturbances.

Very truly yours,

A. S. MIKE MONRONEY,
United States Senator, Oklahoma.

Mr. GREEN. Mr. President, I feel very strongly that we no longer should endorse the snail's pace of storm warning improvement which extremely limited funds have forced on our weather forecasters. Let us stop right now any further unnecessary gambling with the lives and property of our fellow citizens.

Mr. STENNIS. Mr. President, will the Senator from Rhode Island yield to me for a question?

Mr. GREEN. I yield with pleasure.

Mr. STENNIS. I notice that the Senator from Rhode Island states that the $10 million program which his amendment proposes, has already been strongly recommended by the Weather Bureau, by the Department of Commerce, by the president of the American Meteorological Society, and by meterologists everywhere who know best what is actually required.

In view of that fact, why did not the Bureau of the Budget recommend the same figure?

Mr. GREEN. The same question could well be asked with reference to other departments of the Government. Their requests for appropriations are cut down. It might well be asked, "Why didn't the Weather Bureau recommend its figure publicly." The answer is that departments are told to cut down their requests or they may not get anything. That is what it amounts to.

The Bureau of the Budget seems to think it is the final judge in these matters. It does not always accept the recommendations of the various departments of the Government. It takes the estimates of the departments, and sometimes cuts them down officially, and sometimes goes to a department unofficially and says, "You had better not ask for so much. You are defeating your own purpose."

Mr. STENNIS. I am impressed with the strength of the Senator's statement in his speech, and I should like to ask whether he made personal investigation of these matters. I believe he has, but I should like to have the statement in the RECORD.

Mr. GREEN. Of course, I have not been in the upper regions of the clouds. Even if I had been I probably would not understand the subject. I have not been up there, except so far as I have been in airplanes.

Mr. STENNIS. I assume the Senator has interrogated these people himself.

Mr. GREEN. I have. I satisfied myself before I proceeded to undertake this campaign to get the additional funds.

Mr. STENNIS. I assume the Senator has obtained this information from people who know the facts.

Mr. GREEN. Yes; absolutely. I have spoken to everyone who I thought could give me information. The strongest argument that impressed me was that the tremendous loss of property which occurred in my State from one hurricane after another probably could have been greatly decreased, and much of it probably would not have happened if there had been proper forewarning.

Mr. STENNIS. Mr. President, my information is that the Senator from Minnesota [Mr. HUMPHREY] wishes to make some remarks at this time. However, he is not in the Chamber at the moment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF ROBERT M. LA FOLLETTE, SR.

Mr. MORSE. Mr. President, I wish to take a moment to join in the tributes which are being paid today in both Houses of Congress to one of the greatest liberals in all of America's history. Today is the 100th anniversary of the birth of "Fighting Bob" La Follette, of Wisconsin.

It is very difficult for one by way of subjective analysis to determine for himself how it came about that he developed certain philosophies and certain points of view, although I think it is good for each of us, in meditation and introspection, very frequently to analyze our own thought processes and our own philosophy.

As I introspect how I came to develop the political philosophy for which I am fighting in the Senate, I cannot escape the conclusion that undoubtedly as a young student my thinking was influenced more by "Fighting Bob" La Follette, of Wisconsin, than by any other single political figure in American public life.

I grew up in Verona, Wis., not far from the La Follette farm. As a boy, I was associated with the La Follette family. The La Follette boys and I attended the Dane County Fair together as competitors in the pony classes, because the La Follette boys and I raised Shetland ponies throughout our boyhood. It was as a boy at the fair that I first came to know the great Senator Robert M. La Follette, Sr. Throughout my high school and college career, I frequently had the great honor and privilege of sitting at his feet, so to speak, and listening to him discuss, as he was so prone to do with young people, the problems of politics.

Many things could be said about La Follette and the basic tenets of his political philosophy; but I am satisfied that the thing he taught me, above all else, was that the primary job of a public official is to serve human values. Many a time have I listened to the old Senator, as we used to call him, advise with the group of young liberals at the University of Wisconsin and stress that dedicated principle of his, namely, that the job of a representative of free people is to serve the interests of the people.

I have been heard to say in some of my speeches that the greatest wealth we have in America is human wealth; but, so far as my experience with that great tenent is concerned, it came from the lips of Bob La Follette, because it is a principle which he stressed so frequently, as he discussed political problems in the State of Wisconsin.

As a college student, I campaigned for Bob La Follette; and I campaigned for him later, in 1924, when he was a candidate for President of the United States.

Millions of people in America will always owe much to "Fighting Bob" La Follette, because I know of no other liberal in our history who has ever elevated to a higher plane his basic tenet that in representative government the primary obligation of the elected official is to do those things which are necessary to advance and protect human values.

I take this occasion to express my debt of gratitude for the inspiration which the life of Bob La Follette, and his courage and daring, have afforded me in my political career.

NIAGARA POWER PROJECT

Mr. STENNIS. Mr. President, the Senator from Minnesota [Mr. HUMPHREY] is en route to the Chamber. I expect him momentarily.

I observe that the Senator from Texas, the distinguished majority leader, has returned to the floor. He may wish to make an announcement. The Senator from Minnesota was testifying before a committee, and he is on his way to the Senate floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEHMAN. Mr. President, on Friday, June 10, I had the privilege of appearing before the House Public Works Committee on the subject of Niagara power project legislation. In a prepared statement, I urged the enactment of legislation containing the provisions of my bill, S. 1823, and Representative DAVIDSON'S companion bill, H. R. 5878. This proposed legislation will, I hope, shortly come before the Senate for its consideration and action. It is of vital importance to the people not only of New York but of the Nation as a whole, and I believe that the issues involved should be carefully studied by every Member of the Congress. I therefore ask unanimous consent to have the statement made by me on June 10 before the House Public Works Committee printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR LEHMAN BEFORE HOUSE PUBLIC WORKS COMMITTEE ON NIAGARA POWER PROJECT LEGISLATION

Mr. Chairman, I need scarcely say how pleased I am to appear before this committee and before you, Congressman BUCKLEY, as chairman. We are old friends, you and I, as well as fellow New Yorkers. We have worked together in many a good cause. It is a privilege for me to appear before you, and your committee, and to submit my views on the pending matter—legislation authorizing the development of hydroelectric power at Niagara Falls—a matter in which both of us have a deep and immediate interest.

I really don't think I need convince you, Mr. Chairman, of the general merits of the case I am going to present today. I am sure we are in practically perfect accord on it. I am aware, however, that neither you nor I—nor both of us together—are going to decide this matter. As far as the Niagara legislation is concerned, it must be considered and voted upon by this committee as a whole, and not all of its members are from New York, nor are they all Democrats.

Seriously, Mr. Chairman, although this legislation is of primary interest and concern to New York, and although the resource in question is within the borders of New York—and I refer, of course, to the Niagara River and Niagara Falls—there is a Federal, a national interest in this matter and our proposal is, of course, for Federal legislation.

I am not insensitive to the fact that we must convince Members of Congress representing other parts of this Union that the legislation we propose is desirable from a national viewpoint, and not just from the viewpoint of New York State.

The national interest, in this case, arises, first of all, from the fact that the Niagara River, while it is on the northern border of New York State is also on the northern border of the United States.

It is an international waterway. The hydroelectric power we propose to develop under the terms of this legislation was made available under the terms of a treaty negotiated in 1950 by the Federal Government. In other words, the power potential was made available by the exercise of the sovereign treaty-making power of the United States.

The national interest lies further in the fact that the United States, in negotiating the treaty which made this power available, assumed certain binding obligations—to preserve and enhance the scenic beauty of Niagara Falls, which is itself a resource, not only of the people of New York, and of the United States, but of the people of Canada, as well. We share this resource—this scenic and power resource—with the sovereign people of Canada.

The third basis of national interest consists of the fact that the Niagara River, along with most other rivers, is a navigable waterway, and hence within the jurisdiction of the Federal Government, under the Constitution. It has been held that the disposal of water and the construction of power works on a navigable river is a matter within the purview of the Federal Government and of Congress.

And, finally, Mr. Chairman, there is the question of national power policy—as laid down, from time to time, by Congress. A consistent pattern of policy has emerged over the past 50 years, through a long succession of congressional acts on the subject. It is certainly the concern of Congress, and of the Federal Government, to see that whatever disposition is made of a particular project conforms to this policy.

So, Mr. Chairman, when we, of New York State, ask Congress to approve a proposal authorizing the development of power from the Niagara River for the benefit of the people of our State, our proposal must recognize these four bases of national interest. Our proposals must reconcile these national interests with our own local interests. In this case, as in every other case, that is the challenge of statesmanship.

At this point let me say that I think there is already too much of a disposition among us to vote or act on the basis of what is good for our own particular localities.

We are sometimes inclined to forget that what made this Nation great—and what made it a nation—was the concern of one region for the welfare of another. Had the Thirteen Original States of the Union failed to make provision for opening up the West, with post roads, with navigational works, with all sorts of services and subsidies to encourage the development of undeveloped or underdeveloped areas and resources, we would still be a small and unimportant Nation along the eastern seaboard of this continent.

If the Federal Government had not financed the expedition of Lewis and Clark 151 years ago, the great northwestern wilderness would never have been conquered.

Colorado, Montana, Utah, Idaho, Washington, and Oregon would probably never have come into being.

It is exactly 150 years since Lewis and Clark paddled down the Snake River and thence into the great Columbia, and down to the Pacific. Today, only 150 years after civilized man first set eyes on the Columbia River, that river is well on its way to full development, in all its potentialities. Grand Coulee and Bonneville are dynamic episodes in this development.

The Niagara River, which is part of the Great Lakes-St. Lawrence system, was first seen by civilized man long before the Columbia River—more than 200 years before. Niagara Falls is perhaps the oldest scenic wonder on the American Continent, as the St. Lawrence River is among the oldest known rivers on the American Continent.

Perhaps it is because these two rivers—the St. Lawrence and the Niagara—have been known so long and so well that they have been either overlooked or forgotten by Congress. In any event, although New York State has been knocking at the door of Congress for over 30 years, to my knowledge, for authorization to develop power on this river system, it was only last year that Congress, by authorizing the St. Lawrence Seaway project, made possible the development of St. Lawrence power by the State of New York, pursuant to a license from the Federal Power Commission.

I have indulged in this historical discussion, Mr. Chairman, preliminary to my discussion of the legislation at hand, in order to give some perspective to the request that Congress act—and act speedily—on the pending legislation to authorize the Niagara project.

New York is not asking for any special favors here, Mr. Chairman, but just for the consideration it merits within the clear bounds of national policy and national interest.

Only a few weeks ago, there was a debate on the Senate floor on the Colorado River storage project. I supported that project on the ground that what would help develop and improve the western area of the country was good for New York, too. In the case of the Colorado project, a great Federal appropriation will be required. None is necessary for the Niagara project.

I hope and trust that the members of this committee will share with me a concern for the welfare and interests of the people of New York State. Of course, the very existence of this committee is proof of the concern of Congress with works of public improvement in various parts of the country.

Now, Mr. Chairman, I address myself to the legislation pending before you. There are, as I understand it, 4 bills—3 for public development and 1 for private development. One of the three bills for public development is the Radwan bill—proposes Federal construction of the Niagara project, with the eventual disposition of the power works left for later decision by Congress. The Radwan bill does not preclude private ownership, nor does it preclude Federal operation. It leaves that question up in the air. It would require, of course, a Federal appropriation for construction.

I shall not discuss this proposal at any length. I do not feel that it is a practical one because I do not believe Congress would be willing to make an appropriation for this project at this time.

Moreover, I question the wisdom of leaving the disposition of this project in abeyance until some future time. I see no reason why Congress should not decide right now on the disposition of this resource and the nature of its operation.

It goes without saying that I favor the Davidson bill, H. R. 5878, directing the Federal Power Commission to issue a license to the New York State Power Authority for the construction and operation of this project, subject to certain safeguards of the national interest, of national power policy, of the interests of neighboring States, and of the interests of all the consumers of the power.

As you know, the Davidson bill is identical with one which I, in association with 16 other Members of the Senate, introduced in the other House, and is very similar to a bill which I have introduced in past Congresses. I think I was the first one to introduce a bill for the development of the waters of the Niagara, immediately after the treaty with Canada was negotiated in 1950.

There is also pending before you, as you know, a bill introduced by the chairman of this committee, Mr. Buckley.

There are many close similarities between the Buckley bill and the Davidson bill, or, if I may so call it for purposes of identification, the Davidson-Lehman bill. In fact, much of the language of the two bills is identical. There are some critical differences which I will discuss in the course of my testimony. I am sure that you, Mr. Chairman, would be the first to agree that the differences between our two bills can be reconciled.

For the benefit of the record I would like to state that both the Buckley bill and the Davidson-Lehman bill are products of collaborative drafting between my office and the office of the Governor of New York State. In the discussions which took place and in the work of drafting, the representatives of the office of the Governor of New York reflected the viewpoint of the New York State Power Authority. I was represented by the chief of my legislative staff. We made great progress toward drafting a bill protecting what we thought were the vital interests of New York State, of the neighboring States, and of the Nation.

Your bill, as you know, Mr. Chairman, was introduced before these discussions were completed and there are still, as I said, some unresolved points of difference. I am sure that you and I together, Mr. Chairman, could dispose of these points of difference in very short order.

I am sure that your committee, on the basis of the record, and on the basis of a study of the provisions of the Davidson-Lehman bill and of your own bill, will do what is right and fair to all concerned.

I understand that Chairman Moses of the New York Power Authority testified before this committee yesterday and supported the Buckley bill. He expressed his opposition, as I understand it, to my bill, criticizing it on a number of counts. He has also circulated a public letter critical of my bill and purporting to analyze it in comparison with the Buckley bill.

I would not say that the analysis submitted by Commissioner Moses was objective or impartial. In a few minutes I am going to discuss the bill Mr. Moses supports, and the differences between it and my bill, the Davidson-Lehman bill.

But first it should be noted for the record that Mr. Moses, myself, and Governor Harriman are all united in our opposition to the giveaway of the Niagara resource to private interest.

In fact, both the Democratic Party and the Republican Party of New York State are pledged to a public development of Niagara power. The only Republican State officeholder who was elected in 1954, Attorney General Jacob Javits, when he was a member of Congress, voted against private development.

The last Republican Governor of New York State, Gov. Thomas E. Dewey, was opposed to private development. The advocates of the giveaway of Niagara power to private interest are in a distinct minority in New York State—a very small minority, in my opinion.

I challenge any party or any candidate for statewide office in New York to campaign on a platform of private development of Niagara Falls—the transfer of this great resource, belonging to all the people of New York State, to any private utility corporation or group of corporations. The defeat of such a candidate would be assured and overwhelming.

I am aware, Mr. Chairman, that some labor unions, largely representing the employees of private utilities in New York State, and some of the residents of the Niagara area, have expressed themselves in favor of private development. I am sure that all of these individuals are sincere.

I suggest, however, that they have been overwhelmed by the barrage of propaganda emanating from the private utilities. Some of the local residents of Niagara Falls, would, of course, like to see a private development because of the tax revenue it would bring to the local government. I think these people do not quite see the forest for the trees.

I am advised, moreover, that even in Niagara Falls the individuals holding this point of view do not represent a majority.

The fact of the matter is, Mr. Chairman, that the public development of the water resources of New York State and the public's inalienable right to the benefits thereof are fixed principles in New York State.

This committee may be interested to know that one of the earliest defenders and advocates of these principles, who helped to write them into the laws of New York State, was the late Charles Evans Hughes, then Republican Governor of New York State. The year was 1907.

An almost unbroken line of Governors of New York State, beginning with Charles Evans Hughes and extending through Gov. Alfred E. Smith, Gov. Franklin D. Roosevelt, myself, Gov. Thomas E. Dewey, and Gov. Averell Harriman, have held fast to these principles. It is unthinkable that the Congress should determine otherwise.

The people of New York State are convinced that the Niagara resource belongs to them, although they recognize the national interest, too. The riverbed of the Niagara belongs to the people of New York State. The people of both New York State and the Nation have inalienable rights in the waters of the Niagara, and Congress, of course, has final jurisdiction over it.

The proposal to give away this resource and these rights to five private utility corporations is actually an astounding one. I was amazed when the House voted its approval of such a proposal last year.

If these waters belong to the people, and their benefits belong to the people, why should five utility corporations be authorized by Congress to divert these waters, to turn the power potential into electricity and sell that electricity for profit?

No special enterprise on the part of the private utilities to develop this power is needed, Mr. Chairman—except maybe here in the Halls of Congress. This is no case for private enterprise. No competitive free enterprise is involved at all.

This is a proposal—and I am referring to the Miller bill—to turn over a priceless resource owned by all the people to a private utility monopoly in order to let them make a profit at the expense of the people.

The ingenious engineering concept which permits this water to be diverted and used for power purposes without endangering the beauty of the falls was actually worked out by the State Power Authority of New York back in 1938. I was Governor at the time. It is all set forth in the report of the New York Power Authority of that year. Eventually, the Federal Power Commission, through its Bureau of Power, made an engineering study. That engineering study by

the Federal Power Commission in 1949 still provides the basic plans for the development of Niagara power, resting, of course, on the overall concept developed by the New York Power Authority in 1938.

On the basis of the brilliant New York Power Authority concept of 1938, the United States and Canada proceeded to negotiate the treaty of 1950. The sovereign power of the United States Government, plus the ingenuity of the New York State Power Authority, plus the engineering skill of the Federal Power Commission, all combined to make this project possible.

But here it is proposed that we turn this project over to the Niagara Mohawk Power Co., in association with four other great companies of New York State.

I don't see the sense of it, not to speak of the justice of it.

Why should this project be turned over to these private-power companies? In the name of private enterprise? What enterprise?

The advocates of private development have spent hundreds of thousands of dollars—perhaps millions—I do not know—to misinform the people and to apply pressure on the Congress. They say, "Get the Government out of business." What business, Mr. Chairman? This is the people's business. This is the business of Government.

They cry "socialism." Is the postal service "socialism"? Is the building and maintaining of roads and highways and bridges "socialism"? Is the building of parks "socialism"?

Is it socialistic for all the municipalities of this country to furnish water at low rates to the people of their localities? Is that "socialism"?

Why not go back to private toll roads, highways, and bridges, such as we had in this country at the beginning of the 19th century?

Why not turn over all these enterprises to private corporations and let them make a profit from the public need?

The Government could levy taxes on all those profits.

Speaking of taxes, I think the most misleading argument of all is the argument that this waterpower resource should be turned over to private enterprise in order to let these utility corporations pay taxes on their profits from this project.

Who would pay these taxes? The consumers would pay the taxes. The taxes would naturally be included in the rates charged to the consumers. In addition, the consumers would also pay the utility companies an allowed profit of 6 percent on investment—a profit on the use of the people's own resources.

A public development is not, of course, required to pay taxes.

Why should taxes be paid by a public enterprise? It would be like a man paying for sleeping in his own house.

If the waterworks in every city and locality were turned over to private enterprise, the private companies would be glad to pay taxes on their profits from the sale of the water to the consumers. But the consumers of the water would actually be paying the taxes and the profits on top of that. The people would be paying a hidden sales tax—on water which belongs to all the people in the first place.

Exactly the same thing can be said of hydroelectrical power. This power belongs to all the people. But it is proposed, under the terms of the Miller bill, to let private companies make a profit on that power, at the expense of the owners of that power, the people, and on top of that, to levy what amounts to a sales tax on that power.

As I hope I have indicated, the people—the consumers—would be paying both the profits and the taxes. The only beneficiaries would be the stockholders and the management of the utility corporations, and the larger taxpayers of our State and Nation.

Of course I am not opposed to the practice followed by TVA and other public power developments, of making payments in lieu of taxes to the municipalities, where the project works are located, to compensate them for the loss they suffer in property and other local taxes by virtue of the use of this property by a Government entity. I think the New York State Power Authority should make payments in lieu of taxes to Niagara County and the city of Niagara Falls. I am, however, attacking the argument—an argument designed to deceive and mislead people—that the people would somehow benefit if this public resource were given away to a private monopoly, so that the monopoly could pay taxes to the State and Federal Governments.

I have heard the cry "Why should I, a citizen of Ohio or Michigan or Texas, permit the citizens of New York State to enjoy low-cost power when, by turning this resource over to private enterprise, the consumers of New York would be forced to pay higher rates, and thus contribute to the Federal revenues in the form of taxes on the profits of these companies?

My friends, I have been hearing this argument for years, but in reverse, in New York State. Why should New York State, which contributes the highest percentage of the total Federal revenue raised by income and corporate taxes, help to make possible low-cost power in the Tennessee Valley. Why should we contribute to the building of a canal in Florida, to a reclamation project in Louisiana or California? Why should we contribute to the building of roads in West Virginia and Mississippi and Alabama and Kansas and Washington?

That argument, carried to its logical conclusion, points straight in the direction of anarchy. We are a Nation, and I thought we had settled the argument long ago about whether the people of one State should be taxed for the benefit of the people of another.

Why should the people of New York City be permitted to enjoy parks and playgrounds? If the park areas were turned over to private enterprise, factories and shops and hotels and tenement houses could be built on that land, and taxes could be collected on the profits, and that would decrease the need of the people of Albany and Utica and Syracuse and Buffalo to pay taxes.

I hope I have demolished this tax argument—this cynical and misleading argument—which has been so widely spread in newspaper and magazine advertisements, over the air and on the television for the past several years. It is a phoney argument. It deserves to be treated as such.

Now, for the other chief argument used by the proponents of the giveaway—the argument that hydroelectric power is no different from power generated from coal or oil, and that since private enterprise develops the one, it should also be given the other.

That is another phony argument. The coal is in the ground. Land belongs to people, to private people. It is private property. So coal is private property. The same is true of oil.

But the water belongs to all the people. There are no two ways about it. And the power developed from this water also belongs to the people, who should be charged for that power what it costs the Government to develop it. It is exactly the same water as that used for direct consumption. Electric power is, today, as much a necessity as tapwater.

It is in the public interest to make electricity as widely available to the people as possible, and at as low a cost as possible, and especially to rural and domestic consumers. The law of New York says so. So does the law of the United States. And I refer to the Flood Control Act, to the TVA Act, to the Bonneville Act, and to many similar pieces of legislation.

Such hydroelectric-power potential as is available belongs to the people. And the Government has an obligation to make the power available for the public use and benefit.

The Niagara resource is an inalienable heritage of the people. It cannot be given away.

As for the argument that it would be unfair to provide this low-cost, tax-free power to just some of the citizens of New York State while the great majority of the power consumers must pay the higher cost of privately developed power, I do not think that this is a logical argument, either.

The fact of the matter is that under the terms of the Davidson-Lehman bill, the benefits of this low-cost power will be spread among all the consumers of New York State through the application of the yardstick principle.

I will get to that in a few moments when I discuss the individual provisions of my bill.

So much for the giveaway proposal. I want to turn attention now to the Davidson-Lehman bill and the Buckley bill.

Both bills, of course, recognize the basic truths I have just been reciting.

The Davidson-Lehman bill, however, recognizes more clearly and precisely the mandate to use this public resource for the public benefit. The Davidson-Lehman bill reflects more exactly the national power policy as it has evolved over the past 50 years. The Buckley bill, I am afraid, would turn the clock back somewhat.

Now the main difference between the two bills is in the use envisioned for the public power. The Buckley bill, I believe, inclines toward a limited social use for the power—and for the use of most of it in the immediate vicinity, at the bus bar, for sale, for the most part, to industries and private utilities who can step up to the counter and buy.

That is a sound business concept. There is no doubt that all the power could be marketed in this way—and more—and that the bondholders—the purchasers of the revenue bonds issued by the State Power Authority to finance the project—would be completely satisfied by such a procedure.

But that wouldn't satisfy all the demands of the public interest. This resource belongs to all the people of New York State and the Nation. Their interest can only be satisfied if the benefits of this project are distributed as widely as possible, for the benefit of the maximum possible number of people.

Public development of Niagara power carries a responsibility to use the power, wherever practical and reasonably possible, for social purposes. One of these purposes, as is made clear in both the laws of New York State and of the United States, is to make the power available, at the lowest possible cost, primarily to domestic and rural consumers, especially the latter.

It is another purpose to use this bloc of public power as a yardstick against which to measure private power rates. The public power is used as a "yardstick" by making it available—by giving first access to it—to public bodies and agencies, such as municipally owned utilities, and to rural electrification co-ops. These, in turn, make the power available to consumers at cost—without profit.

The public power is used as a "birch rod in the closet" to force private utilities to lower their rates by virtue of the right of municipalities to establish their own utility systems, if the private companies persist in charging exorbitant rates. To make the "birch-rod" effective, publicly owned utilities must have the right of first access to publicly developed power.

This competitive device has been found, in practice, to be far more effective in getting rate decreases than State rate regu-

lation. Rate regulation simply cannot be dependent upon to insure fair rates. Competition is much more effective, for this purpose, than rate-fixing, although I must admit that in many situations, regulation is the only device possible.

It was estimated a year ago, in a Minority Report filed in the Senate Public Works Committee, on Niagara legislation, that the use of Niagara power for yardstick purposes would save the consumers of New York State over $300 million annually.

Whether this figure is precise or not does not matter.

The yardstick would certainly save millions and millions of dollars for the consumers of New York State. It would force rates down throughout the State. All of the consumers would benefit, and the strange thing is—according to the experience in the Tennessee Valley, in the Bonneville and Grand Coulee areas and elsewhere—it would result in greater prosperity for the private utility companies, too.

But in order for this to happen, public power must not only be available to public bodies and rural co-ops on a first-access basis, but the Government must also have the authority to build transmission lines. The Public Power Authority must be able to deliver the power over publicly controlled transmission lines to the load centers.

Under the terms of the Davidson-Lehman bill, Mr. Chairman, these purposes would be achieved. I doubt whether they could be fully achieved under the language of section 2 of the Buckley bill.

In the Buckley bill, the preference concept is not clearly spelled out. Nowhere in paragraph (1) of section 2 is the word "preference" stated. It is not clear to me what is meant by the language in paragraph (1) of section 2 granting public bodies and co-ops an "opportunity to purchase as much of the power available as they can use economically and practically." What is meant by the word "opportunity"? Is the right to buy this power absolute or conditional upon other commitments of the Power Authority? Who is to decide whether the public bodies or the rural co-ops can use the power economically and practically? What standards will be used for this judgment?

Mr. Chairman, this is brand new language for a public-power bill, as far as I know. This language does not appear in any public-power statute of which I am aware. Indeed, I have been told by legal experts in the public-power field that this language is ambiguous to the point of being almost meaningless and could be interpreted to frustrate the whole purpose of preference.

But I will let the representatives of the rural electric co-ops and the municipalities speak for themselves on this point. They say this language is dangerous. Since the paragraph in question is designed for their benefit, I cannot see why this ambiguous language should be used. And, as I said before, Mr. Chairman, there is no mention of the word "preference" in this entire paragraph. If this is a preference paragraph, why not use the word which has a clear meaning and has appeared in every statute on this subject for the last three decades? Its omission merely invites suspicions.

Similarly, the language in subparagraph (B) of paragraph (1)—the withdrawal provision—is vague and ambiguous. There is no clear definition here of what contracts should contain withdrawal clauses. I much prefer the language in the Davidson-Lehman bill which says simply and directly what it means, namely, that withdrawal clauses shall appear in all contracts with private utilities.

We do not propose to require a withdrawal clause in contracts with a private industry which must have a dependable source of power. I can see where it would be difficult to induce new industries to come into New York State and make large investments in construction and equipment without knowing whether the power they contract for will be withdrawn in order to meet the needs of public bodies and co-ops.

So we do not propose to require a withdrawal clause in contracts with industrial users but only in contracts with private utilities who, of course, have other sources of power and can secure supplementary power through wheeling arrangements with other utilities from the private utility grid system.

Nor am I satisfied with the language of paragraph (2) of section 2—the paragraph dealing with transmission lines. The language is entirely permissive. It does not direct the authority to construct or to maintain transmission lines to load centers. There is not a word in this paragraph which would prevent the power authority from selling almost all its power at the busbar.

This paragraph seems to me to hold the possibility of frustrating much of the purpose of paragraph (1), the preference paragraph.

Taken together, the first paragraphs of section 2 of your bill, Mr. Chairman, are, in my judgment, too vague and too permissive. They smack too much of an attempt to strike a compromise between those who do wish public power used as a yardstick and those who do not. Attempting to satisfy both groups, these two paragraphs, I fear, satisfy neither.

I think your paragraph (3), Mr. Chairman, has some loopholes in it; and while it protects the neighboring States and insures them a fair share of the power, it does not adequately protect the consumers within the States; it does not insure them of the equivalent safeguards provided for the consumers in New York State. I commend to the committee the equivalent language in paragraph (3), section 2 (b) of the Davidson-Lehman bill. I have little argument with paragraph (4) of your bill, Mr. Chairman. It is practically identical with paragraph (4) of my bill. I think that paragraph (5) of the Davidson-Lehman bill is clearer in its terms and language than the corresponding paragraph (5) of the Buckley bill, although the two are very similar in language indeed.

There is considerable difference between the two paragraphs numbered (6). The Buckley bill proposes that the State of New York pay for the cost of the remedial works. I am opposed to this, Mr. Chairman. I do not see why the consumers of New York State should be saddled with this additional cost.

The construction of the remedial works is a Federal obligation, a treaty obligation. The Federal Government is already building these remedial works and the Congress has been appropriating for them year by year.

We propose, in our bill, that the State of New York fulfill every reasonable national requirement in return for the congressional authorization to build and operate the power works.

We propose to give defense agencies of the United States the same preference given to other public bodies, to obtain as much of the project power as these agencies might need.

We propose to carry out national power policy.

We propose to do our part for the preservation and enhancement of the beauty of the falls by building a parkway and a scenic drive along the river on the approaches to the falls.

We propose to make a reasonable share of this power available to neighboring States within economic transmission distance of the project site, and to leave to the Federal Power Commission the resolution of any disputes as to what constitutes a reasonable share.

In these ways we will discharge our obligation to the Federal Government.

I do not believe, Mr. Chairman, that we should also assume the cost of the remedial works. I do not think the consumers of this power should be asked to bear that cost. There is already a cost burden on the power which is greater than I would like to see. I don't want to see this project used to prove the thesis that publicly developed hydroelectric power can cost almost as much as privately developed steam power.

I know that the proponents of private power development have chivalrously offered to bear the cost of the remedial works. Why shouldn't they? The consumers would pay.

But, Mr. Chairman, one of the major purposes of this legislation is to provide a bloc of low-cost power. Unless this power is low-cost power, that purpose will be frustrated. If we load all sorts of charges on the cost of power—charges that should, by right, be borne by the public treasury, out of the public revenues—we will, in fact be doing exactly what the private power advocates propose. We will be levying a disguised sales tax on this public power.

As far as the provision in both bills covering the construction of a scenic drive and parkway is concerned, the language of our bill, the Davidson-Lehman bill, is, frankly, a compromise. It is hard for me to see why the consumers of the electric power should bear a cost which should, by right, come from tax revenues, since this parkway is actually no different from any other parkway in New York State.

Still, I yield to no one—even to Commissioner Moses—in my devotion to scenic values and recreational facilities, and am willing to have the power consumers assume even a major part of the cost of the parkway and scenic drive.

I would like to leave it to the Federal Power Commission, however, to decide how much of the cost should be borne by the power project and how much should be borne by the State out of its general revenues. If the Federal Power Commission should agree, in its wisdom, that the entire cost should be borne by the project, I would think it unfair to the consumers, but that would certainly be within the discretion of the Federal Power Commission. That would provide a proper test of the persuasive powers of Commissioner Moses and, of course, of Governor Harriman.

Now, Mr. Chairman, I come to the last difference between your bill and the Davidson-Lehman bill—which is one of the most important, if not the most important, difference of them all.

I refer now to section 1. The Davidson-Lehman bill would direct the Federal Power Commission to grant a license to the New York Power Authority, provided that the New York Power Authority accepts the safeguard conditions set forth in section 2 of our bill. Our bill would also, of course, require that the New York Power Authority accept all the other conditions laid down by the Federal Power Commission pursuant to the provisions of the Federal Power Act and other pertinent statutes.

The Buckley bill, however, does not specify that the license be granted to the New York Power Authority. It passes this decision on to the Federal Power Commission.

It is true that the Federal Power Act requires that a preference be given to States and municipalities, and New York State would have such a preference. It is also hard to see how any private company seeking a license from the Federal Power Commission could satisfy the licensing conditions laid down even in the Buckley bill.

Still, Mr. Chairman, I do not see why Congress should take this chance. Why should Congress defer to its own agent, the Federal Power Commission, in the matter of deciding forthrightly who should construct and operate this project?

The Federal Power Commission is no wiser than Congress. I doubt if it is as wise. The Federal Power Commission is a statutory agent of the Congress. The question of the

disposition of the Niagara power potential is before us here and now. We should plainly specify who is going to build and operate this project. Why be devious about it? Why not issue the instruction?

Mr. Chairman, I have read the report of the Federal Power Commission, the Davidson-Lehman bill. I am disturbed by it—not because the Federal Power Commission opposes our bill. I would expect that. I am disturbed because the Federal Power Commission suggests very strongly that under the terms of the Federal Power Act, the Commission has the right to grant a license to a private company, despite the preference provision of the Federal Power Act. I propose that we do not give the Federal Power Commission a chance to exercise this right, in its discretion.

The report of the Federal Power Commission on H. R. 5878 is, if I may so, a rather presumptuous one. The Federal Power Commission, which is an independent agency created by the Congress, is telling the Congress that the Commission, and not the Congress, is going to decide who will get the license.

The fact is, Mr. Chairman, that if Congress approves section 1 of the Buckley bill it will be setting a most dangerous precedent. The fact is, Mr. Chairman, that for the past 22 years Congress, with none but rare exceptions, has been determining the disposition of hydroelectric project sites—not the Federal Power Commission.

The private utility interests of this country would like nothing better than to see Congress deny itself this power and remand the whole questions of issuing licenses for hydroelectric sites to the Federal Power Commission. The private utility lobby could score no greater victory. It would be worth any price to them. In my judgment, they would regard the approval of section 1 as a great victory and as a prelude to even greater victories. I am opposed to yielding them such a victory.

I am not a little perturbed, Mr. Chairman, by a statement contained in an open letter Commissioner Moses wrote on March 17, 1954, to the Public Works Committee of the Senate. In that letter he forcefully and effectively attacked the propaganda emanating from private utilities that a public development of Niagara would be "socialistic."

But Commissioner Moses concluded his letter with this disturbingly significant sentence:

"If the five private utility companies are smart, they will be willing to leave the decision as to Niagara to the Federal Power Commission and endorse the bill introduced by Senator CASE."

I think Bob Moses was right. If the utilities are smart—and I think they are smart—they will welcome the approval of section 1 of your bill, Mr. Chairman. I am sure you would not wish to grant them this satisfaction at the expense of the public interest, at the expense of the vital interest of New York State and of the Nation.

Mr. Chairman, I think I have covered all the differences between our two bills. I think I have covered most of the major phases of this whole subject. This is a subject very close to my heart, and I could say much more. But I would not want to duplicate what other witnesses are going to say. I think the record will be complete by the time these hearings are over.

I have not gone into the details concerning the magnitude of the Niagara project, the number of kilowatts to be developed, nor the question of how our development compares with that of our neighbor and partner in this project, Canada. I have tried mainly to set forth the major requirements of a public development, as I see them.

I am sure this committee will report out a bill carrying out the spirit of the reservation attached by the Senate to the Niagara treaty, namely, that these waters shall be developed by authorization of Congress "for the public use and benefit."

PRESIDENTIAL PROCLAMATION OF FLAG DAY

Mr. KNOWLAND. Mr. President, it was 178 years ago today, June 14, 1777, that our American Flag was adopted by resolution of the Continental Congress. On June 2, 1955, the President of the United States issued a proclamation relative to the observance of Flag Day. I ask unanimous consent to have the proclamation printed in the body of the RECORD of today.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

FLAG DAY, 1955—A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Whereas the flag which we cherish as the emblem of our unity, our strength, and our free institutions, was adopted by resolution of the Continental Congress on June 14, 1777; and

Whereas under the protecting folds of this banner generations of Americans have enjoyed the blessings of liberty and justice inherent in our form of government; and

Whereas it has become our custom to observe June 14 with appropriate ceremonies commemorative of the adoption of the flag and expressive of our devotion to the Republic which it so nobly represents; and

Whereas in recognition of the fitness of such commemoration, the Congress, by a joint resolution approved August 3, 1949 (63 Stat. 492), designated June 14 of each year as Flag Day and requested the President to issue annually a proclamation calling for its observance:

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby call upon the appropriate officials of the Federal Government, and of the State and local governments, to arrange for the display of our colors on all public buildings on Flag Day, June 14, 1955; and I urge all of our people to observe the day by flying the Stars and Stripes at their homes or other suitable places and by participating in ceremonies especially designed to honor the flag of the United States.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this 1st day of June 1955, and of the Independence of the United States of America the one hundred and seventy-ninth.

By the President:

[SEAL] DWIGHT D. EISENHOWER.
JOHN FOSTER DULLES,
Secretary of State.

ACTIVITIES OF THE FEDERAL GOVERNMENT IN THE FIELD OF BASIC RESEARCH

Mr. HUMPHREY. Mr. President, I have noted with considerable interest that the Commission on Organization of the Executive Branch of the Government, in its report on research and development, recently transmitted to the Congress, recommends that greater Federal support be given both to basic research and to medical research. I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article on this subject appearing on June 1, 1955, in the Washington Post and Times Herald. The article was written by Mr. Lee Nichols.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOOVER FAVORS RISE IN RESEARCH

(By Lee Nichols)

The Hoover Commission told Congress yesterday that the armed services have too little "daring and imagination" in developing "radical" new weapons and are neglecting "basic" research such as led to the atomic bomb.

The Commission's task force noted that research, development, and design operations "are, in general, best performed by civilian agencies." The Commission advisers proposed that some $125 million such work now performed by the military be shifted to colleges, nonprofit institutions, and industrial concerns.

In its report to the lawmakers the Commission also rapped Mrs. Oveta Culp Hobby's Welfare Department and President Eisenhower's Budget Bureau for not asking Congress for money for a vast backlog of medical research projects. Some of these, it indicated, might yield "dramatic" results comparable to the Salk vaccine discovery.

The Commission, headed by former President Herbert Hoover, made public its latest report on Government reforms. It deals with the Government's vast research activities. It said this work now is handled by 29 agencies and is slated to cost some $2,400,000,000 in the fiscal year starting July 1.

MOST OF IT FOR MILITARY

Of this sum, about $2,050,000,000 is planned for military research, a vast jump from the $29 million spent on figuring out new weapons in 1940.

But the Commission, indicating it does not think even this huge sum is adequate, said United States strategy and tactics can keep ahead of those of potential aggressors "only to the extent that research and development provide superior design of weapons."

The Commission endorsed 13 of 15 recommendations by its military research task force, headed by Mervin J. Kelly, president of Bell Telephone Laboratories, Inc. It said these could be put into effect by the military agencies without congressional action.

Included was a proposal to set up a committee of outstanding basic and applied scientists to "canvass periodically the needs and opportunities * * * for radically new weapons systems."

The committee would be appointed by the Assistant Defense Secretary for Research and Development, who would carry out its recommendations where action is indicated.

In making this proposal, the task force said it agreed with criticism that the Armed Forces "are not sufficiently daring and imaginative in their approach to radically new weapons and weapons systems."

The task force also recommended that basic research by the military be significantly increased beyond its present $20 million yearly level. This group noted that basic research is behind all progress in new weapons, and termed the present rate of this fundamental research by the military services inadequate.

Basic research is the study of fundamental scientific principles and phenomena, not necessarily aimed at any immediate use.

Many of the task force's other recommendations involved reorganization of the research setup of the military services. It found much to praise in recent improvements—particularly in the Air Force—and much to criticize.

It called for new assistant secretaries for research in the Army, Navy and Air Force, similar to that office already in existence in the Defense Department.

It urged that the customary job-rotation of military officers be reduced for research experts. It said current practices "ignore the urgent need for increased specialization."

The task force said the military arms should study their growing needs for technical officers and, if need be, as the task force expects, provide generally for an expanding number of trained research officers.

The Commission did not specifically endorse this recommendation, saying only that it would require legislation. The Commission did recommend longer duty tours for military officers in research work, as its task force proposed and said such officers should be given the same rights and promotions as if they were rotated to other jobs.

UNIVERSITY WORK PRAISED

The Commission lashed out at inadequate support of medical schools where research technicians are trained and much basic medical research is done.

It said no greater instance of university research could be cited than the work of Dr. Jonas E. Salk on the new polio vaccine at the University of Pittsburgh.

Noting that the Nation is short of both technicians and doctors, the Commission said "we cannot afford stagnation of our medical research in our medical schools or the training of our physicians."

It went on to say that a backlog of 723 important research projects totaling about $7,400,000 are lined up in the National Institutes of Health. But it said the NIH predicts it will not start any in the fiscal year starting July 1 "because funds have not been requested by the Department of Health, Education and Welfare (which runs the NIH) or the Bureau of the Budget."

"We are concerned over the apparent failure of the Executive Branch to indicate these 'backlog' projects to the Congress," the Commission said.

Attorney General Herbert Brownell, Jr., a Commission member, said on this, however, that information on the subject is conveyed to Members of Congress during budget hearings.

"Possibly, this results from the belief that Congress will be more receptive to requests for funds devoted to projects likely to produce startling and dramatic results," the Commission said. "But it should be noted that there are also the dramatic accomplishments of basic and medical research."

Mr. HUMPHREY. Mr. President, the facts are that out of the $2,400,000,000 proposed by the budget for fiscal 1956 on research and development, probably less than $130 million is devoted to basic research.

Yet—

As the Hoover Commission Report states—

the safety, the increase of productivity and the advancement of health in our Nation must come from constantly increasing knowledge through fundamental research.

As the Hoover Commission suggests:

From these explorations come knowledge, discoveries, inventions, and progress.

Mr. President, I have long urged that greater support be given to basic research. It is indeed gratifying to be joined by the Commission on Organization of the Executive Branch in this support of basic research and also of increased medical research, for all of us know that the Hoover Commission is not likely to be too generous with our public moneys, nor is it inclined to recommend increased Federal participation or activity unless the cause is exceptionally worthy and urgent.

In the case of basic research for defense, the Commission endorses the recommendation of its Task Force Subcommittee:

That the level of basic research in the Department be significantly increased above its present $20 million level of annual expenditure.

The subcommittee also makes a number of other recommendations for improving research and development in the Department of Defense. I commend them to the attention of the Congress, as well as to the executive branch.

Mr. President, I digress for a moment from my prepared remarks, to say that one of the first acts of the new Secretary of Defense after January 1953—of course, I speak of Mr. Wilson—was to recommend curtailment or reduction of the activities of the Federal Government in the field of basic research. There was comment to the effect that what we needed was more applied research, more developmental research, more getting things off the assembly line, and a cutting back of so-called basic research. Of course, Mr. President, that would be rather foolish, to put it mildly, because modern applied research is dependent upon the continuous progress and growth of basic research. To be sure, basic research does not produce the end products, but it does produce the fundamentals and the basic scientific facts which are necessary for applied research.

I suppose the best modern example of this theorem are the works of Dr. Einstein, who was essentially a basic-research scientist. It was from his studies of basic-research material that the formula or at least the program for atomic energy was ultimately developed. So I think it is nothing short of being most unappreciative and most unmindful of the values of basic research, to have the Secretary of Defense indicate, as he has in the past, that the activities of the Federal Government in this vital field should be limited and cut back.

I have been hopeful that after the Hoover Commission's report was issued Mr. Wilson would see the error of his way. A few days ago I noticed in the press a headline to the effect that the Secretary of Defense recommended more research funds. But when I read further I found from the article that again he was talking about applied research, and that still he has not learned the simple lesson that basic research is of primary importance. I hope that our Appropriations Committee, as it examines the request of the Department of Defense for appropriations in the field of research, will recognize that we will soon be falling behind in the struggle for technological advance unless we keep abreast of the continuous process of basic research study, because it is from the soil of basic research that we get the end products of which we are so proud in terms of our modern technology.

Mr. President, it is difficult to glamorize basic research. Its importance for the advancement of science is not readily apparent, and we are inclined to be more willing to appropriate funds for the support of scientific development that produces tangible results quickly. But we tend to forget that these discernible scientific advances are only possible through achievements made in the more shadowy realm of the abstract, theoretical sciences. As the report of the Hoover Commission says:

Indeed, the foundation of the greatest sector of human advancement in modern times is basic research into nature's laws and materials. It is from these sources that come the raw materials of applied science. We owe to basic research the fabulous improvement in the health of the Nation; the greatest industrial productivity known to man; the weapons of defense which have protected our independence; and our knowledge of the laws which govern the universe.

However, the value of basic research in the medical sciences has been dramatized for us recently—as the Hoover Commission points out—by the accomplishments of the scientists who made possible the achievement of Dr. Jonas Salk in developing the vaccine that gives us hope that poliomyelitis will soon be conquered.

With this example of the fruits of medical research still before us, we should be concerned that less than 1 percent of the total Government research and development expenditure is applied to basic research in the medical field. Again, I should like to quote from the report of the Hoover Commission:

It should be noted that, although the Congress has treated appropriations requests for medical research and development generously, there are still many approved projects which have not been undertaken because of the lack of funds. These projects, primarily in the field of basic research, have been approved by several important research agencies.

The Hoover Commission report continues as follows:

An instance is the so-called backlog of 723 projects totaling about $7,400,000 which the National Institutes of Health predict will not be undertaken by them in fiscal year 1956 because funds have not been requested by the Department of Health, Education, and Welfare or the Bureau of the Budget. Of this amount, about $1,900,000 is for basic medical research. We are concerned over the apparent failure of the executive branch to indicate these backlog projects to the Congress. That such amounts have not been recommended to the Congress or supported by the Congress may indicate a tendency to de-emphasize basic and medical research.

Mr. President, I do not think I need point out to the Senate that this is not the only indication we have of a tendency, on the part of the Department of Health, Education, and Welfare, to de-emphasize basic and medical research. I think we are justly placing the blame where it belongs when we charge the Department of Health, Education, and Welfare with this "de-emphasis"—if that is the right word—because the appropriations for the National Institutes of Health have been increased by the Congress well above what is requested in the budget for fiscal 1956. But let us see what the Department of Health, Education, and Welfare, in collusion with the

Bureau of the Budget, did to the recommendations for medical research made to it by its advisory committees.

I point out that Mrs. Hobby, the Secretary of Health, Education, and Welfare, indicated last fall that her Department was basing its recommendations to the Congress on the advice of "advisory councils," made up of men and women, lay and professional, who had reviewed the applications requesting grants for the furtherance of medical research. It is instructive to consider what these advisory councils recommended and then what request for appropriations was finally made to the Congress after the recommendations had been "worked over," shall we say, by the Department of Health, Education, and Welfare and the Bureau of the Budget.

For the activities of the National Cancer Institute during fiscal year 1956, the advisory council recommended that $34.6 million be appropriated. But this was cut to a request of only $22,328,000 in the budget sent over by the executive branch. This was a reduction of more than $12 million, or more than one-third of the funds that the advisory council deemed necessary to further research that we hope may someday stamp out cancer, which takes the lives of so many of our citizens each year.

Funds to continue research on heart disease were similarly curtailed by the executive branch. The advisory council recommended that $32 million be appropriated for the activities of the National Heart Institute. This sum, sufficient to cover that research considered worthy of support by the advisory council, this sum of $32 million was reduced to $17,278,000—a reduction of nearly $15 million. These cuts were made, not in the overall requests of money for grants by private research groups, I wish to emphasize, but in those recommendations made by the advisory council in each case, after they had studied all the requests for grants and then determined which ones were pressing and worthy of Federal support.

I am pleased to say that the Senate, following the recommendations of the distinguished senior Senator from Alabama [Mr. HILL] and other members of the Appropriations Committee, increased these funds above the Budget Bureau's request, but I point out again that the requests made by the executive branch were inadequate. The requests did not follow the philosophy which was explained to Congress a year ago, namely, that the requests of the advisory council would be respected and would be presented to the Congress. The requests were cut to the bone; and if the Senate had permitted the recommendations of the Bureau of the Budget to be adopted, the research programs today, particularly in the field of heart, cancer, and neurological diseases, would be at about a 50-percent level of activity.

The same sort of reduction was made in the recommendation for that highly important area, mental health activities. We all know the seriousness of mental health problems in our Nation today. The best available estimates indicate that a minimum of 9 million persons are suffering from mental or emotional disorders or mental retardation. What this means, not only in the number of hospital beds required to care for these unfortunate people, but also in terms of human misery and the waste of human resources, I do not need to stress. Yet the recommendation for funds that would promote research seeking to alleviate mental illness was cut from about $30 million to $17,501,000. Here again the recommendation of the advisory council was slashed almost in half in the budget sent to us by the executive branch.

The advisory council's recommendation for arthritis and metabolic disease activities was cut from $23 million to only $8,740,000. And the original recommendation of $20 million for neurology and blindness activities was likewise reduced to less than half, or $8,111,000.

In all, the $140 million recommended by the advisory councils for the activities of the National Institutes of Health were cut nearly in half by the administration, down to $74 million.

I find it almost impossible to understand the thinking of those who are more concerned about the health of the dollar than they are about the health of citizens of the United States. Surely medical research, where a little money spent goes so far to save lives and ease the suffering of those afflicted with these grim diseases, is not the place to make piddling economies. These are small sums. Yet, with just such small sums as these, enormous advances in medical science have been made and can continue to be made. Those who are charged with the responsibility of carrying on our national health activities are trifling with the health and lives of all of us when they seek to economize in these vital medical research programs.

I have digressed from the subject of basic research, Mr. President. I began by speaking of the recommendations that have been made to us by the Commission on Organization of the Executive Branch of the Government. I wish to return to laud the recommendation that greater Federal support be given to basic and medical research. But I have digressed to show how the present administration has sought to curtail the activities of the National Health Institutes, to indicate what sort of reception this excellent recommendation is likely to get in the executive branch of the Government.

Let me say pointedly that because of this kind of false economy, this paucity of concern and interest in the National Institutes of Health, we have had grave difficulties in the Public Health Service in the recent polio situation. We have had inadequately trained personnel, inadequate facilities, and inadequate funds really to do the job which was necessary to be done.

I think the recent report of the Surgeon General underscores exactly the point I am attempting to make this afternoon. Of course, belatedly now, the executive branch comes forward and asks for more money. The Secretary of Health, Education, and Welfare, appearing before the Senate Committee on Labor and Public Welfare about a month ago, stated to us that there was necessity for greater expenditures, greater appropriations with which to provide more trained technical personnel in the National Institutes of Health, particularly in the biological control sections of those institutes, so that a better job could be done in terms of testing, in terms of assuring the safety of the vaccines which may be offered to the American public.

This morning I spent some time looking over the CONGRESSIONAL RECORD for the past month and a half, since April 12, and noting the comments of Senators on the floor of the Senate concerning the so-called polio vaccine program. I wish the record to be accurate. I desire to reiterate what this Senator said on the floor of the Senate on several occasions, and then ask my colleagues to check the report presented by Dr. Scheele during the past weekend.

Early in the third week of April the junior Senator from Minnesota stated on the floor of the Senate that the testing program which was being used by the National Institutes of Health and by the Public Health Service for the polio vaccine was inadequate.

I stated later, within a week, that the program of testing was not identical with or similar to the one which had been used in the field tests.

About a week later I pointed out that one of the problems involved in connection with the polio vaccine was the changeover from limited production at the laboratory level to mass production at the maufacturing level.

I pointed out to my colleagues then that it was because of the shift from the level of laboratory production to the level of mass production that some of the difficulties involving the safety and efficacy of the vaccine were arising.

I pointed out on the floor of the Senate, as I did privately to Dr. Scheele, that the testing procedure which was being used in 1955 did not fulfill the sound, prudent requirements of the testing procedure used in 1954.

I suggest that every Member of the Senate read the report, which has been made available by the Surgeon General of the United States, on the so-called Salk polio vaccine. It will be found in the report that the comments of some of us who have been critical were not ill-founded comments and were not personal, partisan-motivated comments, but were comments dictated by the best interests of the people of the United States and of the public health and of the public welfare.

First of all, that report reveals the fact that there was a need for a distribution program. I believe there are some unanswered questions connected with this matter. I want to put this question in the CONGRESSIONAL RECORD today. I should like to have the Public Health Service certify or ascertain for the Senate how much polio vaccine was sent into private trade channels prior to the time the polio vaccine was purchased in bulk by the National Foundation for Infantile Paralysis.

I want to know what is going to happen to the vaccine that is in the hands of private doctors at the present time. Is it to be sent back to the laboratories?

Is there positive assurance that the vaccine is safe? Those questions are still unanswered. Let there be no mistake about it. There were some commercial transactions in the sale of polio vaccine.

The Scheele report indicates that the problem of distribution did not fall heavily upon us primarily because of the breakdown in the vaccine production program due to the lack of some safety precautions in the production of certain vaccines by certain companies.

As I have stated many times on the floor of the Senate, the problem of distribution will be with us, and it is grave dereliction of public responsibility not to face it.

I said on the floor of the Senate, as I recall so vividly, that there was good reason to believe that the safety precautions and the testing precautions which ought to have been taken were not taken. I recall it so well because the distinguished minority leader, the Senator from California [Mr. KNOWLAND] and I engaged in colloquy immediately after the morning hour on one day around the first week of May.

At that time I stated categorically that I had evidence which led me to believe that the Public Health Service through the National Institutes of Health was not properly equipped and was not doing the job that was necessary to be done in the form of modern testing of a very powerful vaccine such as was being placed on the market.

I can say now with some justifiable pride that every warning I gave the Senate with respect to the lack of precautions and lack of effective testing has now been verified by the report of the Surgeon General.

Let us make sure that this will never happen again. Let us make sure that when the Government of the United States places its approval upon a vaccine, it is understood that with such approval goes the integrity of the Public Health Service and the integrity and character of the Government of the United States. Let us understand quite frankly that we are dealing with the lives of children and the lives of men and women, as we are in this particular instance.

I hope that the hearings which are now taking place before the Committee on Labor and Public Welfare will bring out some important facts we need to know. I predict that when those facts are brought out it will be found that the Department of Health, Education, and Welfare, knowing full well that the polio vaccine was going to become a commercial product—in other words, was going to be mass-produced—did not provide Congress with any suggestions whatever to fortify the Public Health Service with an adequate number of technicians, scientists and doctors to enable it to do the job which it was absolutely necessary to do. We waited and waited and waited until tragedy struck the land, and until fear and emotion gripped the country. Then, belatedly, the Department came rushing in with supplementary requests for additional money with which to strengthen the Public Health Service.

I repeat, Mr. President, that we could have been blind as bats and still have known that once the polio vaccine was made available commercially there would arise the problem of distribution. Secondly, Mr. President, we should certainly have known, or at least the responsible Government agency should have known, that when we shift from a limited test-tube production in the laboratory to mass production in a factory there arise problems of inspection, of testing, and of evaluating the efficacy and safety of a vaccine which are far greater than the problems which arise in laboratory experiments.

It was the failure of the administration to provide for those possibilities that caused a great deal of difficulty. I feel very strongly that we must do everything we can to increase and improve our basic and medical research, and I welcome the report of the Hoover Commission in its support of this objective. I wish to point out to the Senate, however, that if this objective is to be implemented, if we are to give greater support to basic and medical research, we must act in support of the Hoover Commission's recommendations and be alert that we are not deceived by mere pious words.

I sincerely hope that we will not again be the recipients of soothing words which tell us that all is well, when all, in fact, is not well. I think it is nothing short of tragic that we were forced to wait through April and through May and into the middle of June to receive documentation demonstrating the incapacity, because of the lack of funds, and lack of personnel, properly to check the efficacy and safety of the polio vaccine.

Some explaining needs to be done, and such explanation must come from those who have the responsibility for this job, the responsibility for licensing new vaccine, and the responsibility for testing. That responsibility was not faithfully fulfilled; it was ignored.

May we never again be faced by that situation. It would be well for Congress from now on to probe deeply and to inquire with tenacity and persistence into every budget proposal which is made, not on the basis that too much is being requested, but on the basis of whether some new program is about to be offered to the American people in connection with which the machinery and organization for adequate distribution and testing is not available.

APPROPRIATIONS FOR RECLAMATION PROJECTS

Mr. BARRETT. Mr. President, I am very much disturbed by the recommendations made by the House Committee on Appropriations for reductions in the appropriations for reclamation projects. The drastic reductions in appropriations for the Missouri River Basin project in my judgment are unjustified and unwarranted.

The reductions affecting Wyoming projects were a part of an overall cut of $32 million made by the House Appropriations Committee from Bureau of Reclamation requests sent to the Congress by the President. Of the $32 million reduction, $21.5 million was made in budget requests for reclamation projects and work in the Missouri River Basin.

The total cuts made on Wyoming projects amounted to $4,800,000, all of which were for funds for projects approved by the Bureau of the Budget.

The most drastic cuts made by the House committee in the appropriation bill for Wyoming projects involved the Glendo project on the North Platte and the Hanover-Bluff units on the Big Horn River.

The committee slashed $2,120,000 from the Budget Bureau request for $8,120,000 for the Glendo project for the 1956 fiscal year, leaving only $6 million to continue the work started last year.

In rejecting the Budget Bureau's request for this project, the committee questioned the feasibility of the project and also expressed doubt that estimated power revenues from the project would be sufficient to pay out the project.

The committee turned down flatly and completely the Budget Bureau's request for $1,540,000 for the Hanover-Bluff project and recommended that construction work on the project be discontinued.

Mr. President, it seems to me that the cuts made by the House committee are completely unjustified and represent the deepest cuts the reclamation program has suffered in a long time. I have asked the Bureau of Reclamation to prepare a statement on the cuts in the State of Wyoming and the following information has been compiled for me:

Project or unit, State	Budget allowance	House committee allowance
CONSTRUCTION AND REHABILITATION		
Eden project, Wyoming	$800,000	$630,000
Kendrick project, Wyoming	750,000	350,000
Riverton project, Wyoming	300,000	0
Missouri River Basin project	300,000	0
Glendo unit, Wyoming	8,120,000	6,000,000
Hanover-Bluff unit, Wyoming	1,540,000	0
Boysen unit, Wyoming (D. and M. C.)	147,500	118,000
Construction total	12,350,500	7,467,000

As I said before the House committee eliminated entirely the appropriations for the Hanover-Bluff unit and the Kendrick project as well as the Riverton project.

The House committee's reduction of $1,540,000 for the Hanover-Bluff unit completely eliminates the fiscal year 1956 program. This reduction will necessitate cancellation of the existing contract for the construction of six pumping plants which are the key facilities of the unit. In addition, going contracts for electrical lines to serve the pumping plants will have to be cancelled and the scheduled start of construction on the unit laterals and drainage investigations must be deferred. Under the present program water is to be available to the 7,395 acres of lands in the unit during fiscal year 1957. The landowners in the Bluff-Hanover area have approved the proposed repayment contracts. The House reduction will invalidate these contracts and will leave the project some 20 percent complete and the Government's investment of more than $675,000 in work which cannot be used.

The House committee's reduction of $400,000 for the Kendrick project and the language in the House report would result in deferral of the power system construction scheduled for fiscal year 1956. This work consists of the construction of substation additions at Casper which are required for the second Alcova-Gering transmission line now under construction, and at Bairoil to give service to REA's in the area. In addition, the going work program of canal rectification and drainage construction would have to be reduced. Any reduction in this program will endanger the productivity of lands now under irrigation.

The House committee's reduction of $300,000 on the Riverton project completely eliminates the fiscal year 1956 program. The major part of this program consists of the construction of drainage facilities in areas now being irrigated. This work is entirely consistent with the instructions in the House report. Any deferral of the activity will endanger lands now being irrigated by veteran settlers. The remainder of the funds requested are for compliance with the act of August 13, 1953—Public Law 258, 83d Congress, 1st session—which provided for the exchange and amendment of farm units.

The Bureau of the Budget had requested a total of $8,120,000 for the Glendo project. This was wholly justified by reason of the fact that the contractor had completely exhausted the funds appropriated for the current fiscal year some 2 months ago and, as a result, the Bureau of the Budget and the Appropriation Committees themselves approved a transfer of $8 million of funds appropriated but unused for the Missouri Basin project. The cut of $2,120,000 for the Glendo project will mean a loss of revenue to the Government, rather than a saving, for the very simple reason that income from power and other sources will be off by 1 year. Furthermore, the water users in Nebraska and Wyoming who have had several years experience with water shortages will find that they, too, will be off for an additional year unless the appropriations are restored by the House or the Senate. Cuts were made by the House committee not only on the Glendo unit but on the Boysen, Eden, and Shoshone projects.

The House committee's reduction of $2,120,000 for the Glendo unit will require a slowdown in the construction of the Glendo Dam and powerplant now under contract. The contractor for this work has clearly demonstrated his ability to proceed at a rate which requires the full amount requested. Construction of appurtenant works such as the Glendo switchyard and railroad relocation must be coordinated with the progress of the major structures for efficient operation. Any significant reduction in funds will retard the progress of the prime contractor for the dam and powerplant and so will defer realization of project benefits for 1 year.

The House committee's reduction for the Boysen unit would not allow the Bureau to meet its commitments under a contract with the Chicago-Burlington & Quincy Railroad Co., which requires that the Bureau perform all maintenance for a period of 5 years after the Boysen Reservoir is filled. Since this is a firm commitment, the reduction must be restored or funds transferred from some other unit.

The House committee's reduction of $170,000 for the Eden project will necessitate the slowdown of lateral construction now under contract and reduction in the program of investigations on remaining project facilities which are to be placed under contract early in fiscal year 1957. Contract earnings on Eden area laterals and Eden and Sandy area drains will be restricted and award of contracts for Farson area laterals and drains and West Side drains will be precluded. Denial of these funds will disrupt an orderly construction program which contemplates completion of the project in fiscal year 1958 and will delay completion of the project 1 year.

The House committee reduction of $300,000 for the Shoshone project would entirely eliminate the fiscal year 1956 program. This program consisted primarily of drainage investigations and extensions of the drainage system. This work is entirely consistent with the language in the House report. A relatively small amount of requested funds are for a continuing program of canal and lateral lining to prevent loss of water. The remainder of the funds are to be applied under Public Law 258, which provides for the exchange and amendment of farm units.

Missouri River project investigation funds for work both wholly and partly within Wyoming were reduced $40,000 by House committee action.

The allowance by the House committee represents a reduction of 27 percent below the funds available for the current fiscal year, and an all time low for this activity. For the basin as a whole, this reduction would make it necessary to defer work on two important studies and to drastically curtail work on 11 other studies. Within the State of Wyoming, this reduction would result in curtailing the planning work in the North and South Platte River Basins in Wyoming, Nebraska, and Colorado.

If a balanced program is to be maintained within the basin and if the present rate of development is to be continued, a minimum total program of $2,915,000, which is much less than the average amount available since the end of World War II, must be provided for Missouri River Basin investigations in place of the total of $2 million allowed by the House committee.

General investigations funds for work both wholly and partly within Wyoming were reduced $214,682 by House committee action.

Two of the items specifically deleted by the House committee were requests for $100,000 for a comprehensive survey of the Upper Snake River Basin in Oregon, Idaho, and Wyoming, and $114,682 for a feasibility study of the potential Johnny Counts project on the headwaters of the Snake River in Idaho and Wyoming. While the major portion of the benefits from these developments will be realized in southern Idaho, the studies are essential to develop basin-wide plans for this area, which will preclude ill-advised developments and thus insure full utilization of the water resources and protect the upstream interests in the State of Wyoming.

I trust, Mr. President, that the other body will give careful consideration to the terrific cuts recommended by its Appropriations Committee, and I am very hopeful that the items eliminated by the committee will be restored by the House. The cuts made by the committee will seriously cripple the reclamation program in my State and throughout the West.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. What is the pending business before the Senate?

The PRESIDING OFFICER. It is the Commerce Department appropriation bill.

RECESS

Mr. STENNIS. Mr. President, so far as I know, no other Senator wishes to address the Senate at this time. Therefore, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 43 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 15, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 14, 1955:

DEPARTMENT OF DEFENSE

Gordon Gray, of North Carolina, to be an Assistant Secretary of Defense, vice H. Struve Hensel, resigned.

IN THE ARMY

The following-named officer under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to a position of importance and responsibility designated by the President under subsection (b) of section 504, in rank as follows:

Maj. Gen. Robert Nicholas Young, O15068, United States Army, in the rank of lieutenant general.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 14, 1955:

DIPLOMATIC AND FOREIGN SERVICE

Edward J. Sparks, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guatemala.

UNITED STATES TARIFF COMMISSION

James Weldon Jones, of Texas, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1957.

ROUTINE APPOINTMENTS IN THE DIPLOMATIC AND FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

The following-named persons to be consuls general:

Francis A. Flood, of California.
Franklin C. Gowen, of Pennsylvania.
John H. Burns, of Oklahoma.

Joseph B. Costanzo, of New York.
Theodore J. Hadraba, of Nebraska.
Eric Kocher, of California.
David M. Maynard, of California.
John M. Steeves, of the District of Columbia.
Sheldon Thomas, of New York.
Frederick E. Farnsworth, of Colorado.
William R. Tyler, of the District of Columbia, for appointment as Foreign Service officer of class 1, consul, and secretary in the diplomatic service of the United States of America.
Orville C. Anderson, of California, for promotion to Service officer of class 2.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

W. Tapley Bennett, Jr., of Georgia.
Robert J. Ryan, of Massachusetts.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Webster E. Ballance, of Illinois.
Emerson I. Brown, of Ohio.
Peter H. Delaney, of New York.
David M. French, of Maryland.
Richard Funkhouser, of California.
Raymond L. Harrell, of Connecticut.
L. Wendell Hayes, of Iowa.
Ralph H. Hunt, of Massachusetts.
M. Hollis Kannenberg, of Minnesota.
Miss Carol C. Laise, of West Virginia.
Abram E. Manell, of California.
Mervyn V. Pallister, of Michigan.
Alex T. Prengel, of Wisconsin.
Loch Shumaker, of Illinois.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

James W. Boyd, of North Carolina.
Paul R. S. Brumby, of Missouri.
Douglas W. Coster, of Virginia.
Edward J. Dembski, of Colorado.
George H. Haselton, of the District of Columbia.
Arnlioth G. Heltberg, of California.
Thomas G. Karis, of Virginia.
Verne L. Larson, of North Dakota.
Mason A. La Selle, of Colorado.
Harry M. Lofton, of South Carolina.
Miss Juliet M. Lohr, of the District of Columbia.
James P. Parker, of Connecticut.
Albert L. Seligmann, of Virginia.
Robert W. Wagner, of Michigan.
Thurston Francis Waterman, of the District of Columbia.
David B. Wharton, of California.

The following-named persons to be consuls of the United States of America:

Ernest B. Gutierrez, of New Mexico.
Karl E. Sommerlatte, of Florida.
Gerald Goldstein, of New York, for promotion to Foreign Service officer of class 5.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert A. Bishton, of Maryland.
Robert V. Carey, of Colorado.
Miss Ann Child, of California.
Mrs. Anne P. Comanduras, of Virginia.
Miss Marian C. Conroy, of Pennsylvania.
Arthur R. Dornheim, of Maryland.
Richard E. Dove, of Maryland.
Theodore R. Frye, of Ohio.
James A. Howell, of Texas.
Miss Virginia L. King, of Nebraska.
C. Thomas Mayfield, of Wisconsin.
Marshall Hays Noble, of New York.
Aloysius J. Warnecki, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Joel W. Biller, of Wisconsin.
A. Dane Bowen, Jr., of Texas.
Byron E. Byron, of California.
Harry W. Cladouhos, of Montana.
C. Edward Dillery, of Washington.
Herbert Engelhardt, of New Jersey.
William P. Horan, Jr., of Minnesota.
Roger Kirk, of the District of Columbia.
Grover W. Penberthy, of Oregon.
Samuel G. Wise, Jr., of New York.

The following-named Foreign Service Staff officers to be consuls of the United States of America:

Philbert Deyman, of Minnesota.
William M. Hart, of North Carolina.
Herbert N. Higgins, of Texas.
Herman Lindstrom, of California.
Herbert T. Schuelke, of Colorado.
Paul C. Sherbert, of California.
Samuel H. Young, of Florida.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Lawrence G. Leisersohn, of the District of Columbia.
Francis J. McArdle, of New York.
Arthur Z. Gardiner, of Virginia, a Foreign Service Reserve officer, to be a secretary in the diplomatic service of the United States of America.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 14, 1955

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of our fathers and all their succeeding generations, we thank Thee for the many special days in the calendar of our national life which stir our minds with pride and patriotism.

Grant that this day, which we call Flag Day, may inspire and kindle within our hearts a greater loyalty and love for our country for Thou hast given us a blessed and wonderful heritage and hast not dealt so bountifully with any nation.

Give us a deeper appreciation and a clearer understanding of our duties and responsibilities as citizens. May we strive to cultivate and elevate the moral and spiritual character of our Republic and do all within our power to preserve and perpetuate its freedom and its free institutions.

Help us to feel that the most heinous of all desecration and sacrilege is that of being indifferent to the sacrifices made by others that we might live in freedom under the Stars and Stripes.

Wherever the flag is carried may it be the emblem of justice and righteousness and the glorious herald proclaiming the coming of a new day of liberty for all mankind.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. THOMPSON of Texas. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Baldwin	Cooley	King, Pa.
Baumhart	Curtis, Mass.	Kirwan
Bell	Dingell	McCarthy
Bentley	Eberharter	McVey
Blitch	Elliott	Mollohan
Bolton,	Frazier	Moulder
Oliver P.	Green, Pa.	Mumma
Canfield	Gubser	Norrell
Carlyle	Heselton	Polk
Chatham	Hillings	Powell
Clevenger	Hope	Reed, N. Y.
Colmer	James	

The SPEAKER. On this rollcall 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. The Chair declares a recess for the purpose of commemorating Flag Day.

Accordingly (at 11:30 a. m.) the House stood in recess.

FLAG DAY

During the recess the following proceedings took place in honor of the United States flag, the Speaker of the House of Representatives presiding:

FLAG DAY PROGRAM, UNITED STATES HOUSE OF REPRESENTATIVES, JUNE 14, 1955

1. Pursuant to the order of the House of June 9, the Speaker declares a recess.
2. United States Air Force Band (Capt. Robert L. Landers, commanding) enters door to left of Speaker and takes position in aisle to left of Speaker.
3. Doorkeeper announces the flag of the United States.

Members rise.

Air Force Band plays The Stars and Stripes Forever.

The flag is carried into the Chamber by Air Force colorbearer and a guard from each of the other branches of the Armed Forces (Maj. Robert L. Eaton, U. S. A., commanding).

The Color Guard salutes the Speaker, faces about, and salutes the House.

4. Mr. RABAUT is recognized.
5. The Official Air Force Choral Group (The Singing Sergeants), accompanied by the Air Force Band, sing the new song, The Pledge of Allegiance to the Flag, by Irving Caesar, ASCAP. Soloist: M. Sgt. Ivan Genuchi.
6. Mr. RABAUT is recognized.
7. Members rise and sing the national anthem, accompanied by the Air Force Band and the Singing Sergeants.
8. Members remain standing while the colors are retired from the Chamber, the Air Force Band playing The Stars and Stripes Forever.
9. The Air Force Band leaves the Chamber.

Mr. RABAUT was recognized by the Speaker and delivered the following address:

Mr. Speaker, it is most fitting that we, the Representative body of the Congress, pause this day to pay tribute to our flag. And it is, indeed, a privilege and an honor to be selected on this occasion to lead my distinguished colleagues in paying official homage to our unfurled banner of freedom. What we do and say here, I pray, will make itself felt not